Application No. A.11-07-017
Exhibit No. JP-1
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BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

EXHIBIT JP-1

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of the Application of the **GOLDEN STATE WATER COMPANY (U 133 W)** for an order authorizing it to increase rates for water service by $58,053,200 or 21.4% in 2013, by $8,926,200 or 2.7% in 2014; and by $10,819,600 or 3.2% in 2015.	Application No. 11-07-017 (Filed July 21, 2011)

SETTLEMENT AGREEMENT BETWEEN GOLDEN STATE WATER COMPANY, THE DIVISION OF RATEPAYER ADVOCATES OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION, AND THE UTILITY REFORM NETWORK

SETTLEMENT AGREEMENT BETWEEN GOLDEN STATE WATER COMPANY, THE DIVISION OF RATEPAYER ADVOCATES OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION, AND THE UTILITY REFORM NETWORK

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BEFORE THE PUBLIC UTILITIES COMMISSION
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SETTLEMENT AGREEMENT BETWEEN GOLDEN STATE WATER COMPANY, THE DIVISION OF RATEPAYER ADVOCATES OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION, AND THE UTILITY REFORM NETWORK

I. TERMS AND CONDITIONS – GENERAL

1.0 This Settlement Agreement ("Settlement") is entered into by Golden State Water Company ("GSWC"), the Division of Ratepayer Advocates ("DRA") of the California Public Utilities Commission ("Commission"), and The Utility Reform Network ("TURN"), collectively referred to as the "Parties."

1.1 This Settlement resolves most of the issues in GSWC's General Rate Case ("GRC"), Application ("A.") 11-07-017,for an increase in its general rates for water service in Region 1 (Arden Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria and Simi Valley Customer Service Areas ("CSAs")), Region 2, and Region 3. This agreement settles all outstanding issues in this proceeding except for the following ones: Special Request

#1, the Santa Maria groundwater adjudication and litigation; and Special Request #8, the Aerojet water litigation memorandum account. As discussed below, the Parties will also be providing supplemental testimony on the five options outlined in D.12-04-048.

1.2 The Parties agree that the Commission's adoption of this Settlement should not be construed as an admission or waiver by any Party regarding any fact, matter of law, or issue thereof that pertains to the subject of this Settlement. In accordance with the Commission's Rules of Practice and Procedure, Rule 12.5, the Parties intend that the Commission's adoption of this Settlement be binding on each Party, including its legal successors, predecessors, assigns, partners, joint ventures, shareholders, members, representatives, agents, attorneys, parent or subsidiary companies, affiliates, officers, directors, and/or employees. Adoption of this Settlement does not constitute approval of, or precedent regarding, any principle in any future proceeding, unless the Commission expressly provides otherwise.

1.3 The Parties agree that no Party to this Settlement, or any Parties' legal successors, predecessors, assigns, partners, joint ventures, shareholders, members, representatives, agents, attorneys, parent or subsidiary companies, affiliates, officers, directors, and/or employees thereof, assumes any personal liability as a result of this Settlement.

1.4 The Parties agree that the Commission has primary jurisdiction over any interpretation, enforcement, or remedy pertaining to this Settlement, as provided by the California Constitution, Article XII, Section 8. No Party may bring an action pertaining to this Settlement in any local, State, or Federal court, or administrative agency, without having first exhausted its administrative remedies at the Commission.

1.5 If any Party fails to perform its respective obligations under this Settlement, the other Party may come before the Commission to pursue a

remedy including enforcement.

1.6 The Parties agree that this Settlement is an integrated agreement and the provisions of the Settlement are not severable. Therefore, if the Commission rejects any term or portion of this Settlement, the Parties shall convene a conference within fifteen (15) days thereof and engage in good faith negotiations to determine whether some or all of the remainder of the Settlement is acceptable to the Parties. In the event an agreement is reached, all Parties must consent in writing to any changes or the Settlement is void. If the Parties cannot agree to resolve any issue raised by the Commission's actions within thirty (30) days of their conference, this Settlement shall be rescinded, the Parties shall be released from any obligation, representation, or condition set forth in this Settlement, including their obligation to support this Settlement, and the Parties shall be restored to their positions prior to having entered into this Settlement. Thereafter, the Parties may pursue any action they deem appropriate.

1.7 WRAM – Further Proceedings

1.7.1 Background

The Commission issued Decision 12-04-048 on April 30, 2012 addressing the Water Revenue Adjustment Mechanism ("WRAM") and Modified Cost Balancing Account ("MCBA") for several Class A Water Utilities, including GSWC. Decision 12-04-048 determines that a more vigorous review of the WRAM/MCBA mechanisms and options to the mechanisms, as well as sales forecasting, be conducted in each company's pending or next GRC proceeding. The Commission specified five options that should be addressed in this context. The Commission indicated that, for the current GRC proceedings for GSWC, the assigned ALJ may choose whether to require supplemental testimony on these options or not.

At the evidentiary hearing in this matter held on May 5, 2012 ALJ Smith

determined that supplemental testimony pursuant to Decision 12-04-048 on the five WRAM options outlined in that decision would be required. Supplemental direct testimony on these WRAM issues is currently due to be served on July 16, 2012. Supplemental reply testimony is due to be served on August 16, 2012.

The Parties acknowledge and agree that an important assumption for this Settlement is the continuation of the existing WRAM and MCBA mechanisms adopted by the Commission in D.08-08-030 and D.09-05-005. The Parties further acknowledge and agree that in light of the supplemental proceedings outlined above on these issues, the continuation of these existing WRAM and MCBA mechanisms is an open issue that will be examined in the Parties' supplemental testimony in this proceeding, and decided by the Commission in this GRC. The Parties further acknowledge and agree that in the event GSWC's existing WRAM or MCBA mechanisms are discontinued or altered in any fashion by the Commission a fundamental premise of the Settlement will be altered.

1.7.2 Resolution:

1.7.2.1 Party Proposal to Change WRAM or MCBA

A. In the event that DRA or TURN proposes in its supplemental direct or reply testimony a change to GSWC's WRAM or MCBA for application during this GRC period that party shall also include a discussion in their supplemental testimony of the impact that the proposal would have on other elements and issues of the general rate case and this settlement, to the extent possible. In the event that DRA or TURN proposes in its supplemental direct or reply testimony a change to GSWC's WRAM or MCBA for application during this GRC period, GSWC may terminate the Settlement, in whole or in part, by delivering written notice to the other Parties and the assigned ALJ; provided that

prior to any such termination, GSWC shall attempt in good faith to meet and confer with DRA and TURN for the purposes of determining (i) whether termination of the Settlement, in whole or in part, is avoidable and (ii) if some or all of the Settlement is terminated, an appropriate schedule for testimony, evidentiary hearings and briefs on the unsettled issues.

B. In the event that GSWC proposes in its supplemental direct or reply testimony a change to GSWC's WRAM or MCBA for application during this GRC period, GSWC also should discuss in their supplemental testimony, to the extent possible, the impact that the proposal would have on other elements of the general rate case. In the event that GSWC proposes in its supplemental direct or reply testimony a change to GSWC's WRAM or MCBA for application during this GRC period, DRA or TURN may terminate the Settlement, in whole or in part, by delivering written notice to the other Parties and the assigned ALJ; provided that prior to any such termination, DRA or TURN, as the case may be, shall attempt in good faith to meet and confer with GSWC for the purposes of determining (i) whether termination of the Settlement, in whole or in part, is avoidable and (ii) if some or all of the Settlement is terminated, an appropriate schedule for testimony, evidentiary hearings and briefs on the unsettled issues.

C. In the event that any Party terminates, in whole or in part, the Settlement as provided in this Section 1.7.2.1, the Parties will file jointly, within five business days after the termination, a motion (i) withdrawing the original motion, (ii) informing the Commission of the status of the Settlement (iii) if there are non-terminated portions of the Settlement, asking the Commission to approve a restated Settlement consisting of all non-terminated portions of the original settlement, which will be attached to the motion, and (iv) asking the Commission to take the following actions:

- Establish interim rates for GSWC in accordance with the Rate Case Plan (Decision 07-05-062) and PU Code Section 455.2(a) and (b).;
- Defer final decision on the unsettled items in this GRC pending the submission of additional testimony and briefing ("Phase 1.A"); and
- Convene a Phase 1.A, as described further below, to consider new proposals from the Parties on terminated portions of the Settlement where those proposals relate solely to the Party Proposal to Change WRAM/MCBA described in section 1.7.2.1 A and B above.

Phase 1.A should be considered concurrently with the restated Settlement, if any, and should consist of testimony, evidentiary hearings and briefs on the unsettled issues. The requested schedule for Phase 1.A will be as the Parties have agreed in their meet and confer or, if there is no agreement on schedule, then each Party may propose its own schedule for consideration by the Commission.

1.7.2.2 Commission Decision Changing WRAM or MCBA

A. Within 14 days after the date of issuance of any decision by the Commission in this proceeding changing the WRAM or MCBA for application during this GRC period, other than by adopting a change (without modification) that was proposed by a Party in its supplemental direct or reply testimony and as to which the Parties had the opportunity to address in Phase 1.A per Section 1.7.2.1 above, any Party may terminate the Settlement, in whole or in part, by delivering written notice to the other Parties and the assigned ALJ; provided that prior to any such termination, any Party wishing to terminate the Settlement shall attempt in good faith to meet and confer with the other Parties for the purposes of determining whether termination of the Settlement, in whole or in part, is avoidable.

B. The Parties agree to request jointly in the motion seeking approval of

the Settlement the following: In the event that the Commission makes any change to the WRAM or MCBA for application during this GRC period, other than by adopting a change (without modification) that was proposed by a Party in its supplemental direct or reply testimony and as to which the Parties had the opportunity to address in Phase 1.A per Section 1.7.2.1 above, and any Party terminates, in whole or in part, the Settlement, the Commission should establish interim rates for GSWC in accordance with the Rate Case Plan (Decision 07-05-062) and PU Code Section 455.2(a) and (b) and defer any further change in rates resulting from this GRC pending the conclusion of a second phase of this proceeding ("Phase 2"). The Commission should convene Phase 2 consisting of testimony, evidentiary hearings and briefs where the scope is to examine proposals that result solely from the changes in WRAM/MCBA adopted by the Commission Decision described in section 1.7.2.2 A above. The Commission should, as soon as practicable after termination of the Settlement, convene a prehearing conference to set a schedule for Phase 2.

1.8 The Parties acknowledge and stipulate that they are agreeing to this Settlement freely, voluntarily, and without any fraud, duress, or undue influence by any other Party. Each Party hereby states that it has read and fully understands its rights, privileges, and duties under this Settlement, including each Party's right to discuss this Settlement with its legal counsel, and has exercised those rights, privileges, and duties to the extent deemed necessary.

1.9 The Parties have determined that this Settlement is in their best interests, and more cost-effective than undertaking the expenses, delays, and uncertainties of an evidentiary hearing. In executing this Settlement, each Party declares that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Therefore, the Parties jointly request that the Commission accept and adopt this proposed

Settlement as reasonable, consistent with the law, and in the public interest.

1.10 The Parties acknowledge and agree that this Settlement has been jointly negotiated and drafted. The language of this Settlement shall be construed as a whole according to its fair meaning and not in favor of any Party.

1.11 This Settlement constitutes the entire agreement and understanding between the Parties as to the subject of this Settlement, and supersedes any prior agreements, commitments, representations, or discussions between the Parties.

1.12 This Settlement may not be amended or modified without the express written and signed consent of each Party hereto.

1.13 No Party has relied or relies upon any statement, promise, or representation by any other Party, except as specifically set forth in this Settlement. Each Party expressly assumes the risk of any mistake of law or fact made by such Party or its authorized representative.

1.14 This Settlement and each covenant and condition set forth herein shall be binding upon the respective Parties hereto.

1.15 This Settlement may be executed in counterparts by each Party hereto with the same effect as if all Parties had signed one and the same document. Any such counterpart shall be deemed to be an original and shall together constitute one and the same Settlement.

1.16 This Settlement shall become effective and binding on the Parties as of the date it is fully executed by all Parties.

II. FACTUAL BACKGROUND

2.0 GSWC is a Class A water company regulated by the Commission. GSWC divides its service territory into three geographical regions: Region 1, Region 2, and Region 3. Region 1 incorporates customer service areas in Northern California and California's Central Coast. Regions 2 and 3 encompass areas of Southern California. GSWC's headquarters is located in San Dimas, in Southern California.

2.1 GSWC's GRC application (A.11-07-017) was formally filed on July 21, 2011, and amended on October 26, 2011, to include costs to operate and maintain fluoridation systems in Region 2. In support of its application, GSWC submitted detailed testimony, Results of Operations Reports, supporting Work Papers and Water Master Plans (GSWC Exhibits 1 - 87). DRA reviewed GSWC's application, as well as the aforementioned documents, made field tours of the water system, and appeared at Public Participation Hearings held in Rancho Cordova, Bay Point, Clearlake, Los Osos, Carson, Claremont, Barstow, Apple Valley, Ojai, Bell Gardens, Stanton and Calipatria. On February 6, 2012, DRA served its Reports (DRA Exhibits 1-18). On February 27, 2012, DRA issued its revised reports (DRA Revised Exhibits 1, 2, 3, 4, 9, 11, 12, 13, 14 and 15). On April 10, 2012, GSWC served its rebuttal testimony. Commencing on April 16, 2012, the Parties met and engaged in settlement negotiations. The Parties' agreed upon terms and conditions, comprising the Settlement, regarding specific issues in A.11-07-017 are set forth below in this Settlement.

2.2 This Settlement is comprised of this Settlement document itself and the following appendices attached hereto:

Appendix A – Comparative Summary of Earnings
Appendix B – General Office Capital Budget Stipulated
Appendix C – General Office CWIP Stipulated

III. TERMS AND CONDITIONS OF THE SETTLEMENT

3.0 Plant – Regions 1, 2 and 3

3.1 Overhead –

GSWC's Request and DRA's Position:

GSWC requested overhead rates of 18.01% in 2012, 17.24% in 2013 and 17.05% in 2014 for Regions 1, 2 and 3. These overhead rates were calculated using the methodology set forth in the prepared written direct testimony of GSWC's witness Jimmy Cheung (GSWC-19). As described therein, these overhead rates were calculated based on (1) the estimated charges to be booked to GSWC's overhead pool; and (2) GSWC's requested Capital Budgets. DRA agreed that the overhead rates that resulted from the calculations were reasonable estimates of the overhead loading factors that will be experienced by GSWC in those years and were fairly consistent with actual overhead loading rates experienced by GSWC in the last several years. While DRA did not agree that the rates should be recalculated based on adjustments made by the parties in this case.

Resolution:

While the parties did not reach agreement regarding whether the overhead rates should be recalculated based on the impact of the various agreed to adjustments made in this case, they did agree that an estimated overhead rate of 22% in 2012, 2013 and 2014 was reasonable. The Parties agreed to the increase from the rates originally presented in acknowledgement that the settlement capital budgets over which the overhead pool will be allocated are lower than the amount originally requested by GSWC, which may result in overhead rates that are slightly higher than GSWC's initial proposal. Because of this settlement, the final budgets amounts for certain capital budget items are higher than GSWC's original request for those items.

3.2 Region 1, 2 and 3 Capital Budgets –

GSWC's Request and DRA's Position:

GSWC requested combined capital budgets for 2012, 2013 and 2014 of $226.7 million and DRA recommended combined capital budgets of $102.5 million, as shown in the table below:

Table 3.1
Region 1, 2 and 3 Combined Capital Budgets for 2012, 2013 and 2014

		GSWC	DRA
Region 1	2012	$ 7,469,543	$ 4,574,803
	2013	$13,105,136	$5,958,616
	2014	$ 14,820,805	$8,529,700
Region 1 Subtotal		**$35,395,484**	**$19,063,119**
Region 2	2012	$33,547,769	$14,562,376
	2013	$35,517,445	$16,680,381
	2014	$33,072,189	$16,432,325
Region 2 Subtotal		**$102,137,403**	**$47,675,082**
Region 3	2012	$ 32,077,779	$14,508,533
	2013	$28,976,074	$11,161,140
	2014	$ 28,144,594	$10,101,544
Region 3 Subtotal		**$89,198,447**	**$35,771,217**
Total Regions 1, 2 & 3		**$226,731,334**	**$102,509,418**

Resolution:

The Parties have resolved their differences regarding plant additions in GSWC's Region 1, 2 and 3 for 2012, 2013 and 2014. The Parties agree to a combined, aggregate capital budget of $57.5 million for all three Regions for each of the three years in the rate-case cycle, as described in more detail below. The agreed-to capital budgets include an annual amount of $5 Million for Maximum Day Demand (MDD) related projects in Region 3. Projects that were included in GSWC's 2012, 2013, and 2014 capital budget requests in this proceeding that DRA agreed to, but for which it proposed advice letter treatment, will be included as a part of the final ($57.5 million) annual capital budget and therefore will not require advice letter filings, with the exception of for the Dace Well project, which

is described in paragraph 3.10 below.

3.3 Contingency –

GSWC's Request and DRA's Position:

GSWC requested a contingency rate of 10% for both recurring (blanket) expenditures and non-recurring capital projects included in the Region 1, 2 and 3 capital budgets. Contingency is used to fund additional costs that were unknown or unexpected at the time capital project budgets were developed and to fund unexpected or emergency projects that occur during the rate-case cycle. DRA recommended a 5% contingency for non-recurring projects and a 0% contingency for blanket expenditures.

Resolution:

The Parties did not reach an agreement as to the appropriate contingency rates to be applied to the capital projects at issue in this proceeding. However, as part of the overall settlement of the capital budgets for Regions 1, 2 and 3, the Parties agreed to include a 5% contingency rate for non-recurring capital projects and a 2.5% contingency rate for blanket expenditures in the calculation of these settled capital budgets. Contingency is only used to develop budgets for the blanket expenditures and non-recurring capital projects in the Region 1, 2 and 3 capital budgets. Once GSWC actually constructs a capital project (whether recurring or blanket), GSWC will record in rate base the actual cost it incurs with respect to such capital projects, whether such costs are higher or lower than the budgeted amount adopted in this proceeding.

3.4 Design Costs –

GSWC's Request and DRA's Position:

GSWC requested to include in its capital budgets for Regions 1, 2 and 3 an amount to cover the cost of designing non-recurring capital projects. For a non-recurring pipeline capital project, GSWC requested an amount equal to 10% of such pipeline project's budgeted construction cost. For a

non-recurring, non-pipeline capital project, GSWC requested an amount equal to 15% of such project's budgeted construction cost. In addition, where a capital project's budgeted construction cost was forecasted to exceed $500,000, GSWC assumed that the design of that project would be outsourced and that the cost would be three times the cost of in-house design. DRA recommended a budget for design costs equal to 10% of the budgeted construction costs for all of the capital projects, both those out-sourced for design as well as for in-house design.

Resolution:

The Parties did not reach an agreement as to the appropriate rate for calculating design costs associated with the capital projects at issue in the proceeding. However, based on the testimony and evidence submitted in this proceeding[1] and as part of the Parties' overall settlement of the capital budgets in this proceeding, the Capital project design costs shall be included in the settled capital budgets for Regions 1, 2 and 3 in the following amounts: (1) for each non-recurring, non-pipeline capital project, an amount equal to: (i) 12.5% of the budgeted construction cost for such project if the budgeted construction cost for such project is equal to or less than $500,000; and (ii) 27.5% of the budgeted construction cost for such project if the budgeted construction cost for such project is greater than $500,000; and (2) the funding for pipeline projects is resolved as described in Note 3.1 of paragraph 3.7 below. Once GSWC actually constructs a capital project, GSWC will record in rate base the actual design cost it incurs with respect to such capital projects, whether such costs are higher or lower than the budgeted amount adopted in this proceeding.

[1]GSWC-30, DRA-3 Revised, DRA-11 Revised, DRA-14 Revised, DRA-15 Revised, GSWC-84, GSWC-85, GSWC-86 and GSWC-87

3.5 Construction Work in Progress Closed to Plant –
GSWC's Request and DRA's Position:

GSWC requested to include its 2010 recorded CWIP in rate base plus additional expenditures to complete the CWIP projects.

DRA recommended that the proposed budgets for completing the Bissell Well and Dace Well capital projects in Region 2 be removed from CWIP and instead be incorporated into rate base and rates via advice letter filings. DRA also recommended that the following projects should not be included in rates (1) the design costs of the First 5 Fluoridation Project; and (2) a SCADA project (GWO 21900393) in the Artesia system.

Resolution:

Except as set forth below, all of CWIP additions requested by GSWC in this proceeding shall be included in the test year 2013 rate base. These CWIP additions are not part of the aggregate $57.5 Million annual capital budget for Regions 1, 2 and 3 agreed to in this settlement. With respect to: (1) the proposed budget to complete the Bissell Well in Region 2; (2) the proposed budget to complete Dace Well in Region 2; and (3) the proposed budget to complete the Wilson Well in Region 3, the costs associated with completing these three well projects will be incorporated into rate base and rates via advice letter filings, as described in paragraph 3.10 below. With respect to the design cost budget for the First 5 Fluoridation Project in Region 2, GSWC agrees to withdraw its request for such costs. Neither the CWIP projects nor the three advice letter projects will be part of the aggregate $57.5 million annual capital budget for Regions 1, 2 and 3 in this settlement.

The amounts agreed to by the Parties that should be included in Utility Plant in Service - Construction Work in Progress Closed to Plant are as follows:

Table 3.2 Utility Plant in Service - CWIP Closed to Plant				
	Year	GSWC	DRA	Settlement
Region 1				
Northern District Office	2011	-$300	-$300	-$300
Coastal District Office	2011	$0	$0	$0
Arden Cordova	2011	$2,269,700	$2,269,700	$2,269,700
Bay Point	2011	$191,400	$191,400	$191,400
Clearlake	2011	$331,500	$331,500	$331,500
Los Osos	2011 2012	$616,100 $6,300	$616,100 $6,300	$616,100 $6,300
Ojai	2011	$2,019,800	$2,019,800	$2,019,800
Santa Maria	2011	$821,400	$821,400	$821,400
Simi Valley	2011	$797,900	$797,900	$797,900
Region 1 Subtotal		**$7,053,800**	**$7,053,800**	**$7,053,800**
Region 2				
Central District Office	2011	$0	$0	$0
Southwest District Office	2011	-$1,200	-$1,200	-$1,200
Region 2 CSAs	2011 2012	$18,631,400 $925,500	$14,223,400 $1,988,900	$14,258,900 $1,988,900
Region 2 Subtotal		**$19,555,700**	**$16,211,100**	**$16,246,600**
Region 3				
Foothill District Office	2011	$6,800	$6,800	$6,800
Mountain/Desert District Office	2011	$39,000	$28,300	$28,300
Orange County District Office	2011	$46,400	$34,000	$34,000
Region 3 CSAs	2011 2012	$23,401,700 $4,497,100	$16,966,700 $9,616,400	$16,663,400 $7,712,800
Region 3 Subtotal		**$27,991,000**	**$26,652,200**	**$24,445,300**
Total Regions 1, 2 & 3		**$54,600,500**	**$49,917,100**	**$47,745,700**

3.6 Region Capital Budgets Not Disputed by DRA - The need and construction cost of the capital projects listed in the following table were not disputed by DRA. However, due to the settlement of the issues identified in paragraphs 3.1, 3.3 and 3.4 above, the overall budgets for such capital projects have been revised as follows to comport with the terms of the settlement between the Parties:

Table 3.3 Undisputed Capital Projects				
	Year	GSWC	DRA	Settlement
Region 1				
Meters (Arden Cordova)	2012	$103,500	$103,500	$107,000
	2013	$135,000	$135,000	$140,400
	2014	$99,500	$99,500	$103,700
Misc. Bowls & Column Extensions (Arden Cordova)	2012	$52,300	$52,300	$54,000
	2013	$53,600	$53,600	$55,700
	2014	$55,300	$55,300	$57,500
Vehicles (Arden Cordova)	2012	$0	$0	$0
	2013	$57,600	$57,600	$59,900
	2014	$0	$0	$0
Meters (Bay Point)	2012	$17,300	$17,300	$17,900
	2013	$23,700	$23,700	$24,700
	2014	$29,800	$29,800	$31,100
Meters (Clearlake CSA)	2012	$9,700	$9,700	$10,100
	2013	$10,100	$10,100	$10,500
	2014	$11,700	$11,700	$12,200
Vehicles (Clearlake CSA)	2012	$0	$0	$0
	2013	$38,600	$38,600	$40,100
	2014	$57,500	$57,500	$59,900
Coastal District, Vehicle	2012	$0	$0	$0
	2013	$27,500	$27,500	$28,600
	2014	$0	$0	$0
Vehicles (Ojai CSA)	2012	$52,055	$52,055	$52,055
	2013	$47,800	$47,800	$49,800
	2014	$0	$0	$0
Vehicles (Santa Maria CSA)	2012	$52,055	$52,055	$52,055
	2013	$95,600	$95,600	$99,500
	2014	$0	$0	$0
Region 1 Subtotal		**$1,030,210**	**$1,030,210**	**$1,066,710**
Region 2				
Vehicles (Southwest District Office)	2012	$54,421	$54,421	$56,261
	2013	$0	$0	$0
	2014	$0	$0	$0

Table 3.3 Undisputed Capital Projects				
	Year	GSWC	DRA	Settlement
Chadron Plant, site remediation	2012	$300,000	$300,000	$300,000
	2013	$300,000	$300,000	$300,000
	2014	$300,000	$300,000	$300,000
Vehicles (Culver City)	2012	$0	$0	$0
	2013	$0	$0	$0
	2014	$40,109	$40,109	$41,805
Region 2 Subtotal		**$994,530**	**$994,530**	**$998,066**
Region 3				
Vehicles (Orange County District Office)	2012	$83,353	$83,353	$86,172
	2013	$55,796	$55,796	$58,061
	2014	$42,007	$42,007	$43,784
Vehicles (Los Alamitos CSA)	2012	$54,421	$54,421	$56,261
	2013	$0	$0	$0
	2014	$57,488	$57,488	$59,919
Vehicles (Placentia CSA)	2012	$108,842	$108,842	$112,522
	2013	$167,388	$167,388	$174,184
	2014	$57,488	$57,488	$59,919
Vehicles (Foothill District Office)	2012	$52,733	$52,733	$54,516
	2013	$54,066	$54,066	$56,261
	2014	$32,163	$32,163	$33,523
Minor Purification Equipment (Claremont CSA)	2012	$21,922	$21,922	$22,663
	2013	$22,475	$22,475	$23,388
	2014	$0	$0	$0
Vehicles (Claremont CSA)	2012	$0	$0	$0
	2013	$54,066	$54,066	$56,261
	2014	$0	$0	$0
Minor Purification Equipment (San Dimas CSA)	2012	$43,843	$43,843	$45,325
	2013	$22,475	$22,475	$23,388
	2014	$0	$0	$0
Minor Purification Equipment (San Gabriel CSA)	2012	$2,000	$2,000	$2,100
	2013	$2,100	$2,100	$2,100
	2014	$2,100	$2,100	$2,200

Table 3.3 Undisputed Capital Projects				
	Year	GSWC	DRA	Settlement
Vehicles (San Gabriel CSA)	2012	$52,733	$52,733	$54,516
	2013	$33,075	$33,075	$34,418
	2014	$0	$0	$0
Minor Purification Equipment (Barstow CSA)	2012	$1,711	$1,711	$1,769
	2013	$1,868	$1,868	$1,944
	2014	$3,945	$3,945	$4,111
Vehicles (Barstow CSA)	2012	$31,421	$31,421	$32,483
	2013	$0	$0	$0
	2014	$52,111	$52,111	$54,315
Minor Purification Equipment (Calipatria CSA)	2012	$19,200	$19,200	$19,900
	2013	$19,700	$19,700	$20,500
	2014	$20,300	$20,300	$21,200
Vehicles (Calipatria CSA)	2012	$0	$0	$0
	2013	$0	$0	$0
	2014	$33,192	$33,192	$34,595
Minor Main Replacements (Morongo Valley CSA)	2012	$8,700	$8,700	$9,000
	2013	$8,900	$8,900	$9,300
	2014	$9,200	$9,200	$9,600
Minor Purification Equipment (Morongo Valley CSA)	2012	$1,711	$1,711	$1,769
	2013	$1,868	$1,868	$1,944
	2014	$2,050	$2,050	$2,137
Minor Purification Equipment (Apple Valley CSA)	2012	$1,611	$1,611	$1,769
	2013	$1,868	$1,868	$1,944
	2014	$2,050	$2,050	$2,137
Office Furniture and Equipment (Apple Valley CSA)	2012	$6,867	$6,867	$7,099
	2013	$3,800	$3,800	$4,000
	2014	$3,900	$3,900	$4,100
Vehicles (Apple Valley CSA)	2012	$0	$0	$0
	2013	$69,989	$69,989	$72,830
	2014	$52,111	$52,111	$54,315
Region 3 Subtotal		**$1,380,607**	**$1,380,607**	**$1,434,242**
Total Regions 1,2 & 3		**$3,405,347**	**$3,405,347**	**$3,499,018**

3.7 Region Capital Budgets Partially Agreed to by DRA – GSWC's Request and DRA's Position:

DRA agreed to the need for some of the requested capital projects in GSWC's proposed capital budgets for Regions 1, 2, and 3 in this proceeding, but took issue with the construction cost estimate or scope of those projects.

Resolution:

Based on the testimony and evidence submitted in this proceeding[2] and the parties' positions during settlement, the budgets for the following projects, which include revisions to account for the settlement of the issues identified in paragraphs 3.1, 3.3 and 3.4 above, are set forth in the table below:

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Region 1				
Northern District, Office Furniture and Equipment	2012	$0	$0	$0
	2013	$9,400	$8,600	$9,800
	2014	$9,700	$8,800	$10,100
Northern District, Misc Tools and Safety Equipment	2012	$2,800	$2,800	$2,800
	2013	$6,000	$5,700	$6,200
	2014	$6,100	$5,900	$6,400
Shadowglen Plant, Upgrade Chlorine Facilities	2013	$2,600	$2,500	$2,100
	2014	$18,700	$17,800	$18,600
System-wide, Water Supply Improvements (Destroy Windsor Well, Install Trussell Well and Upgrade SSWD Interconnection) (Design)	2014	$328,700	$313,700	$272,500

[2] GSWC-30, DRA-3 Revised, DRA-11 Revised, DRA-14 Revised, DRA-15 Revised, GSWC-84, GSWC-85, GSWC-86 and GSWC-87

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Agnes Circle Plant, Relocate Transducer and Replace Section of Main	2013	$24,100	$23,000	$23,500
Oselot Plant, Install Sump in Altitude Valve Vault	2013	$68,400	$65,300	$66,600
Park Plant, Install New MCC	2013 2014	$19,600 $140,800	$18,700 $134,400	$16,100 $140,100
Centerville Ct., eliminate dead-end main (install 6-inch fire hydrant)	2012	$8,700	$8,300	see note 3.1 below
Boulder Mine Way., eliminate dead-end main (install 6-inch fire hydrant)	2012	$8,700	$8,300	see note 3.1 below
Summit Mine Ct., eliminate dead-end main (install 6-inch fire hydrant)	2012	$8,700	$8,300	see note 3.1 below
Coloma Treatment Plant, update to chlorine facilities Process Hazard Analysis	2012	$8,000	$7,700	$7,900
Coloma Treatment Plant, Filter Re-pack (Well #20)	2013	$73,000	$69,700	$70,900
Coloma Treatment Plant, Filter Media Replacement (North 4 and South 2)	2013	$145,800	$139,200	$141,900
Coloma Treatment Plant, Filter Media Replacement (North 2 and 3)	2014	$166,700	$159,200	$162,500
Arden-Cordova, Meter Retrofit Program	2013 2014	$457,300 $468,800	$436,500 $447,500	$451,200 $465,700
Arden-Cordova, Services	2012 2013 2014	$229,400 $361,700 $372,600	$229,400 $349,700 $360,300	$229,400 $376,400 $388,400
Arden-Cordova, Minor Main Replacements	2012 2013 2014	$30,200 $31,000 $31,900	$30,100 $30,800 $31,800	$31,300 $32,300 $33,300
Arden-Cordova, Minor Purification Equipment	2012 2013 2014	$13,900 $14,300 $14,700	$13,000 $13,400 $13,800	$14,400 $14,900 $15,300

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Arden-Cordova, Office Furniture and Equipment	2012	$18,900	$18,200	$19,600
	2013	$8,900	$8,200	$9,200
	2014	$9,100	$8,500	$9,500
Arden-Cordova, Tools & Safety Equipment	2012	$21,700	$19,800	$22,500
	2013	$22,300	$20,300	$23,200
	2014	$30,600	$28,600	$23,900
Hill Street Plant, recoat exterior of Reservoir #31	2012	$48,700	$46,600	$48,200
Evora Plant, Recoat Interior and Exterior of Reservoir #1	2013	$202,600	$193,400	$196,900
Evora Plant, Recoat Interior and Exterior of Reservoir #2	2014	$239,000	$228,100	$232,800
Chadwick Plant, Replace Discharge Piping from Well #3, Install Vault Lid and Meter	2013	$5,400	$5,200	$4,400
	2014	$38,700	$37,000	$38,500
Randall-Bold Water Treatment Plant, CCWD CIP (GSWC share-of-cost)	2012	$45,600	$43,500	$45,000
	2013	$52,400	$50,100	$52,100
	2014	$57,000	$54,400	$56,700
Alley Between Pacifica Ave. & Port Chicago Hwy., Approximately 1,000 LF of 6-inch DIP (Design)	2014	$39,600	$37,800	see note 3.1 below
Bay Point, Services	2012	$288,300	$288,300	$288,300
	2013	$275,700	$259,300	$286,900
	2014	$284,100	$267,200	$296,100
Bay Point, Minor Main Replacements	2012	$69,800	$66,400	$72,100
	2013	$71,500	$68,100	$74,400
	2014	$73,700	$70,200	$76,800
Bay Point, Misc Bowls & Column Extensions	2012	$4,400	$4,100	$4,600
	2013	$4,500	$4,200	$4,700
	2014	$4,700	$4,300	$4,900
Bay Point, Minor Purification Equipment	2012	$2,500	$2,300	$2,600
	2013	$2,600	$2,300	$2,700
	2014	$2,700	$2,400	$2,800
Bay Point, Office Furniture and Equipment	2012	$12,200	$12,200	$12,500
	2013	$2,500	$2,300	$2,600
	2014	$2,600	$2,400	$2,700

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Bay Point, Vehicles	2012	$0	$0	$0
	2013	$0	$0	$0
	2014	$92,700	$92,700	$96,600
Bay Point, Tools & Safety Equipment	2012	$1,500	$1,300	$1,500
	2013	$1,500	$1,300	$1,500
	2014	$5,800	$5,700	$1,600
Oakcrest Plant, Install Additional Booster	2012	$21,900	$20,900	$21,600
Sonoma Plant, Install Sludge Drying Bed	2012	$205,000	$195,700	$198,100
Oakcrest Plant, Install Fence	2013	$30,000	$28,700	$29,800
Sonoma Plant, Install Rinse-to-Waste Assembly for Carbon Contactor Backwash	2013	$4,600	$4,400	$3,800
	2014	$33,000	$31,500	$32,800
Park Terrace, e/o Parkview, Approximately 1,100 LF of 8-inch PVC (Design)	2014	$23,700	$22,700	see note 3.1 below
Watershed sanitary survey update	2012	$20,000	$19,100	$19,800
Sonoma Plant, change-out GAC	2014	$71,200	$67,900	$69,400
Sonoma Plant, filter media replacement (2 filters)	2014	$150,000	$143,300	$146,300
Clearlake, Services	2012	$109,900	$101,300	$113,600
	2013	$112,700	$103,900	$117,300
	2014	$116,100	$107,000	$121,000
Clearlake, Minor Main Replacements	2012	$21,350	$21,350	$21,350
	2013	$13,200	$12,800	$13,700
	2014	$13,600	$13,200	$14,200
Clearlake, Misc Bowls & Column Extensions	2012	$11,200	$11,100	$11,600
	2013	$11,500	$11,300	$11,900
	2014	$11,800	$11,700	$12,300
Clearlake, Minor Purification Equipment	2012	$11,600	$11,000	$12,000
	2013	$11,900	$11,200	$12,400
	2014	$12,200	$11,600	$12,700

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Clearlake, Office Furniture and Equipment	2012	$9,100	$8,800	$9,400
	2013	$3,300	$2,900	$3,400
	2014	$6,100	$6,000	$6,300
Clearlake, Tools & Safety Equipment	2012	$5,700	$5,700	$5,900
	2013	$3,000	$2,800	$3,200
	2014	$7,300	$7,100	$3,300
Coastal District, Misc Office Furniture	2012	$5,000	$5,000	$5,000
	2013	$13,800	$12,800	$14,300
	2014	$14,200	$13,200	$14,800
Coastal District, Tools & Safety Equipment	2012	$4,100	$4,100	$4,100
	2013	$6,000	$5,600	$6,200
	2014	$6,200	$5,800	$6,400
Country Club Plant, install lighting	2012	$80,300	$76,700	$79,300
Bayview Plant, recoat reservoir interior/exterior and install cathodic protection	2012	$135,000	$128,900	$133,300
Los Olivos Plant, Construct Reservoir	2012	$80,000	$76,400	$65,800
	2013	$366,100	$340,300	$362,300
Los Osos System, install fire hydrant isolation valves	2012	$48,100	$46,000	see note 3.1 below
	2013	$0	$0	
	2014	$43,400	$41,300	
Pecho Raw Water Transmission Main, Pecho Plant to Rosina	2013	$9,900	$9,400	see note 3.1 below
	2014	$105,900	$101,100	
Los Osos CSA Office Improvements	2014	$16,700	$15,900	$16,300
Los Osos, Meters	2012	$44,792	$44,792	$44,792
	2013	$19,200	$17,900	$19,900
	2014	$19,700	$18,400	$20,600
Los Osos, Services	2012	$32,300	$32,300	$32,300
	2013	$32,500	$30,600	$33,800
	2014	$33,500	$31,500	$34,900
Los Osos, Minor Main Replacements	2012	$14,500	$14,500	$14,500
	2013	$17,600	$17,600	$18,300
	2014	$18,200	$18,100	$18,900

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Los Osos, Misc Bowls & Column Extensions	2012	$67,250	$67,250	$67,250
	2013	$146,200	$66,700	$152,200
	2014	$144,800	$68,700	$151,000
Los Osos, Minor Purification Equipment	2012	$2,900	$2,900	$2,900
	2013	$10,500	$9,700	$10,900
	2014	$10,800	$9,900	$11,300
Los Osos, Office Furniture and Equipment	2012	$2,200	$2,200	$2,200
	2013	$15,100	$14,800	$15,700
	2014	$3,600	$3,300	$3,800
Los Osos, Vehicles	2012	$0	$0	$0
	2013	$0	$0	$0
	2014	$47,700	$47,700	$49,800
Los Osos, Tools & Safety Equipment	2012	$0	$0	$0
	2013	$2,500	$2,400	$2,600
	2014	$6,600	$6,500	$2,700
San Antonio and Mutual Plants - Install Fencing	2013	$149,000	$80,300	$63,394
San Antonio Plant - Install Permanent Generator and Auto Transfer Switch	2013	$80,900	$77,200	$67,000
	2014	$583,400	$556,900	$580,500
Fairview Plant - Site Improvements (Design)	2014	$116,200	$110,900	$96,300
Fox Street & Bald Ave, s/o Ojai Ave., Approximately 2,300 LF of 8-inch DIP (Construction)	2012	$518,100	$494,600	see note 3.1 below
Palomar Road, El Toro to El Camino, Approximately 1,400 LF of 8-inch DIP (Construction)	2012	$280,300	$267,600	see note 3.1 below
Ojai, Meters	2012	$32,884	$32,884	$32,884
	2013	$19,600	$19,000	$20,400
	2014	$20,200	$19,500	$21,100
Ojai, Services	2012	$138,000	$138,000	$138,000
	2013	$115,600	$108,600	$120,300
	2014	$119,100	$111,900	$124,200
Ojai, Minor Main Replacements	2012	$140,200	$140,200	$140,200
	2013	$56,100	$52,800	$58,400
	2014	$57,800	$54,400	$60,300

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Ojai, Misc Bowls & Column Extensions	2012	$131,200	$131,200	$131,200
	2013	$215,000	$140,100	$223,800
	2014	$233,200	$144,400	$243,000
Ojai, Minor Purification Equipment	2012	$1,350	$1,350	$1,350
	2013	$45,600	$43,900	$47,400
	2014	$46,900	$45,300	$48,900
Ojai, Office Furniture and Equipment	2012	$2,000	$2,000	$2,000
	2013	$17,100	$16,600	$17,700
	2014	$5,700	$5,100	$5,900
Ojai, Tools & Safety Equipment	2012	$450	$450	$450
	2013	$9,100	$8,900	$9,400
	2014	$13,300	$13,200	$9,700
Lake Marie Plant - Electrical Improvements	2012	$45,100	$43,000	$37,000
	2013	$367,000	$350,300	$356,600
Lake Marie Well #4 - Replace Lake Marie Well #3	2013	$420,200	$401,100	$347,800
	2014	$1,514,200	$1,445,400	$1,506,500
Tanglewood #2 Plant - Reservoir and Booster Station (Design)	2014	$461,600	$440,600	$382,700
Tanglewood #1 Plant - Replace Electrical and Install SCADA	2013	$165,100	$133,520	$120,400
Union Valley Pkwy., Morning Ridge to Boardwalk, Approximately 900 LF of 8-inch DIP	2012	$149,000	$142,200	$147,000
Sandalwood Dr., Pinewood to Black, Approximately 2,900 LF of 12-inch DIP	2013	$349,800	$333,900	see note 3.1 below
	2014	$1,260,200	$1,202,900	
Santa Maria, Meters	2012	$190,968	$190,968	$190,968
	2013	$107,700	$102,100	$112,100
	2014	$111,000	$105,200	$115,700
Santa Maria, Services	2012	$287,600	$287,600	$287,600
	2013	$293,900	$280,800	$305,800
	2014	$302,800	$289,300	$315,600
Santa Maria, Minor Main Replacements	2012	$55,600	$55,600	$55,600
	2013	$68,400	$64,700	$71,200
	2014	$70,500	$66,700	$73,500

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Santa Maria, Misc Bowls & Column Extensions	2012	$243,658	$243,658	$243,658
	2013	$397,492	$306,800	$413,685
	2014	$389,250	$316,100	$405,709
Santa Maria, Minor Purification Equipment	2012	$13,200	$13,200	$13,200
	2013	$27,700	$25,200	$28,800
	2014	$28,500	$26,000	$29,700
Santa Maria, Office Furniture and Equipment	2012	$3,400	$3,400	$3,400
	2013	$29,200	$28,600	$30,400
	2014	$8,900	$8,200	$9,300
Santa Maria, Tools & Safety Equipment	2012	$6,200	$6,200	$6,200
	2013	$5,400	$5,200	$5,600
	2014	$13,700	$13,400	$5,800
Alamo Plant - upgrade retaining wall	2012	$81,600	$77,900	$80,500
Pineview Reservoir - Add Cathodic Protection	2013	$23,400	$22,300	$22,700
Simi Valley, Meters	2012	$151,348	$151,348	$151,348
	2013	$183,922	$183,922	$191,390
	2014	$80,600	$75,800	$84,000
Simi Valley, Services	2012	$30,200	$30,200	$30,200
	2013	$31,700	$29,200	$33,000
	2014	$32,700	$30,100	$34,100
Simi Valley, Minor Main Replacements	2012	$13,500	$13,500	$13,500
	2013	$3,200	$3,000	$3,300
	2014	$3,300	$3,100	$3,400
Simi Valley, Misc Bowls & Column Extensions	2012	$15,400	$15,400	$15,400
	2013	$36,800	$14,000	$38,300
	2014	$59,600	$14,400	$62,200
Simi Valley, Minor Purification Equipment	2012	$0	$0	$0
	2013	$800	$700	$800
	2014	$800	$800	$800
Simi Valley, Office Furniture and Equipment	2012	$0	$0	$0
	2013	$29,073	$28,373	$30,209
	2014	$8,700	$8,000	$9,100
Simi Valley, Vehicles	2012	$80,243	$80,243	$80,243
	2013	$95,600	$95,600	$99,500
	2014	$0	$0	$0

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
Simi Valley, Tools & Safety Equipment	2012 2013 2014	$18,600 $31,100 $34,800	$18,600 $28,800 $32,400	$18,600 $32,400 $27,800
Region 1 Subtotal		**$19,386,730**	**$18,032,908**	**$16,422,380**
Region 2				
Central District, Purification Equipment	2012 2013 2014	$10,900 $11,200 $11,500	$10,300 $10,500 $10,900	$11,200 $11,600 $12,000
Central District, Office Furniture and Equipment	2012 2013 2014	$9,100 $9,400 $9,700	$8,800 $9,000 $9,300	$9,500 $9,800 $10,100
Central District, Vehicles	2012 2013 2014	$42,267 $55,796 $57,488	$42,267 $55,796 $0	$43,696 $58,061 $0
Central District, Misc Tools and Safety Equipment	2012 2013 2014	$12,600 $13,000 $13,400	$12,000 $12,300 $12,700	$13,100 $13,500 $13,900
Centralia Plant, install flexible coupling on reservoir (Construction)	2012	$70,500	$67,300	$69,600
Violetta and Seine Aves., Carson to 221st, Approximately 4,300 LF of 8-inch DIP	2012 2013	$634,700 $2,249,900	$202,000 $2,147,600	see note 3.1 below
206th St., Arline to Seine, Approximately 140 LF of 6-inch DIP & 1,500 LF of 8-inch DIP	2013 2014	$226,100 $815,200	$72,000 $778,200	see note 3.1 below
Central Basin East, Meters	2012 2013 2014	$317,997 $219,524 $275,431	$303,097 $204,224 $259,631	$328,737 $228,462 $286,995
Central Basin East, Services	2012 2013 2014	$174,600 $179,000 $184,500	$165,100 $169,300 $174,400	$180,500 $186,300 $192,300
Central Basin East, Minor Main Replacements	2012 2013 2014	$321,770 $331,903 $341,080	$299,770 $309,303 $317,780	$332,666 $345,332 $355,393

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Central Basin East, Misc Bowls & Column Extensions	2012	$109,100	$104,900	$112,700
	2013	$111,800	$107,600	$116,300
	2014	$115,200	$110,800	$120,100
Central Basin East, Office Furniture and Equipment	2012	$10,600	$9,700	$11,000
	2013	$32,132	$31,132	$33,394
	2014	$11,200	$10,200	$11,700
Central Basin East, Vehicles	2012	$54,421	$0	$0
	2013	$55,796	$54,421	$56,261
	2014	$0	$55,796	$58,061
Central Basin East, Misc Tools and Safety Equipment	2012	$36,100	$35,100	$37,300
	2013	$37,000	$36,000	$38,500
	2014	$48,253	$38,100	$39,800
Gage Plant, construct chemical building (Construction)	2012	$65,100	$62,200	$64,300
Bissell Plant, install additional booster and upsize discharge piping	2012	$41,200	$26,200	$33,800
	2013	$291,900	$278,700	$290,000
Converse Plant, recoat interior of reservoir	2012	$184,800	$169,100	$178,600
Eastern Ave., across Jaboneria, Approximately 50 LF of 12-inch DIP (Construction)	2012	$72,200	$68,900	see note 3.1 below
Shull St., Extend Mains in Alleys, Approximately 100 LF of 12-inch DIP (Construction)	2012	$55,600	$53,100	see note 3.1 below
Eastern Ave. and alley s/o Shull St., Approximately 400 LF of 12-inch DIP (Construction)	2012	$133,100	$127,100	see note 3.1 below
Randolph St., Flora to w/o Clarkson, Approximately 600 LF of 8-inch DIP	2012	$208,800	$199,300	see note 3.1 below
Georgia Ave., Brompton to Weik, Approximately 1,100 LF of 8-inch DIP	2012	$35,200	$33,600	see note 3.1 below
	2013	$373,800	$356,800	

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
King Ave., Brompton to Weik, Approximately 1,100 LF of 8-inch DIP	2012 2013	$35,200 $373,800	$33,600 $356,800	see note 3.1 below
76th Pl., Whitsett to Walnut, Approximately 300 LF of 8-inch DIP (Design)	2014	$10,100	$9,600	see note 3.1 below
76th St., Maie to PE RWY, Approximately 400 LF of 6-inch DIP (Design)	2014	$14,200	$13,600	see note 3.1 below
82nd St., Hooper to Naomi, Approximately 600 LF of 8-inch DIP (Design)	2014	$18,200	$17,400	see note 3.1 below
Alameda St., 88th to 92nd, Approximately 2,400 LF of 8-inch DIP (Design)	2014	$68,000	$64,900	see note 3.1 below
N. Somerset Rd., s/o Gardendale, Approximately 400 LF of 12-inch DIP	2013 2014	$12,000 $130,000	$11,500 $124,100	see note 3.1 below
Priory Plant, sand mitigation at Well #2 (Construction)	2012	$41,500	$39,600	$40,900
Gage Plant, sand mitigation at Well #1 (Construction)	2012	$41,500	$39,600	$40,900
Central Basin West, Meters	2012 2013 2014	$346,430 $333,322 $329,236	$328,830 $315,322 $310,636	$358,153 $346,911 $343,073
Central Basin West, Services	2012 2013 2014	$310,800 $318,700 $328,300	$293,500 $300,900 $310,100	$321,300 $331,600 $342,200
Central Basin West, Minor Main Replacements	2012 2013 2014	$302,900 $310,600 $320,000	$291,300 $298,600 $307,700	$313,100 $323,200 $333,500
Central Basin West, Misc Bowls & Column Extensions	2012 2013 2014	$108,400 $111,100 $114,500	$106,500 $109,200 $112,500	$112,000 $115,600 $119,300
Central Basin West, Office Furniture and Equipment	2012 2013 2014	$8,500 $8,700 $9,000	$7,800 $8,000 $8,200	$8,800 $9,000 $9,300

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Central Basin West, Vehicles	2012	$108,842	$0	$0
	2013	$55,796	$108,842	$112,522
	2014	$0	$55,796	$58,061
Central Basin West, Misc Tools and Safety Equipment	2012	$40,200	$38,500	$41,500
	2013	$41,200	$39,500	$42,800
	2014	$52,553	$42,400	$44,200
Baldwin Hills Plant, install flexible coupling on reservoirs (Construction)	2012	$138,300	$132,000	$136,400
Perham Plant, upgrade MCC (Construction)	2012	$243,000	$231,900	$239,800
Perham Plant, upgrade boosters	2012	$39,300	$25,100	$32,400
	2013	$278,600	$265,900	$276,700
Perham Plant, recoat interior of reservoir	2012	$15,100	$9,500	$12,400
	2013	$106,600	$101,800	$105,900
Baldwin Hills Plant, control valve vault	2013	$1,600	$1,000	$1,300
	2014	$11,600	$11,100	$11,500
Bernardo Plant, replace natural gas engine booster	2013	$12,700	$8,100	$10,600
	2014	$91,800	$87,700	$91,400
Intersection of Washington Blvd. and Madison Ave., Approximately 50 LF of 12-inch DIP (Construction)	2012	$51,400	$49,100	see note 3.1 below
Steller Dr., Hayden to Eastham, Approximately 1,000 LF of 8-inch DIP	2012	$363,100	$346,600	see note 3.1 below
Lindblade Ave. Sepulveda to Coombs, Approximately 4,300 LF of 8-inch DIP	2012	$382,300	$121,700	see note 3.1 below
	2013	$1,354,500	$1,292,900	
Pickford Ave., Dobson to Virginia, Approximately 2,600 LF of 8-inch DIP	2013	$396,800	$126,200	see note 3.1 below
	2014	$1,429,900	$1,364,900	
Patom Dr., Diller to Culver Park, Approximately 1,700 LF of 8-inch DIP	2013	$59,000	$56,400	see note 3.1 below
	2014	$638,800	$609,800	
Bush Way, Sepulveda to Malat, Approximately 800 LF of 8-inch DIP (Design)	2014	$25,500	$24,400	see note 3.1 below

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Garfield Ave., Huntley to end, Approximately 500 LF of 8-inch DIP (Design)	2014	$16,300	$15,500	see note 3.1 below
Culver City, Meters	2012	$200,900	$193,600	$207,763
	2013	$163,152	$155,552	$170,164
	2014	$168,380	$160,680	$175,912
Culver City, Services	2012	$75,900	$74,300	$78,500
	2013	$77,800	$76,100	$81,000
	2014	$80,200	$78,400	$83,600
Culver City, Minor Main Replacements	2012	$345,400	$330,500	$357,000
	2013	$354,100	$338,800	$368,500
	2014	$364,800	$349,100	$380,300
Culver City, Office Furniture and Equipment	2012	$5,800	$5,300	$6,000
	2013	$5,900	$5,500	$6,200
	2014	$6,100	$5,600	$6,300
Culver City, Misc Tools and Safety Equipment	2012	$5,500	$4,900	$5,700
	2013	$5,600	$5,000	$5,900
	2014	$17,554	$5,200	$6,000
Southwest District, Office Furniture and Equipment	2012	$13,800	$13,300	$14,300
	2013	$14,100	$13,700	$14,700
	2014	$14,600	$14,100	$15,200
Southwest District, Misc Tools and Safety Equipment	2012	$1,500	$1,300	$1,500
	2013	$1,500	$1,400	$1,600
	2014	$1,600	$1,400	$1,600
Southwest System-wide, PRV upgrades	2012	$164,700	$150,600	$159,100
Wadsworth Plant, recoat interior of West Reservoir	2012	$277,600	$253,800	$268,100
Southwest MWD Connections, install/upgrade SCADA	2012	$30,000	$19,100	$24,700
	2013	$212,600	$203,000	$211,200
Southwest System-wide, upgrade SCADA	2013	$199,300	$182,300	$193,900
Budlong, Goldmedal and Chadron Plants, install pump control valves	2013	$293,200	$258,700	$280,200

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
Wadsworth Plant, replace deteriorated structural elements in roof of East Reservoir	2013	$56,800	$51,900	$55,200
Gardena Heights Plant, install flexible coupling on reservoir	2013	$108,600	$99,300	$105,600
Gardena Heights Plant, replace deteriorated structural elements in roof and recoat interior of reservoir	2013	$408,500	$373,600	$367,300
144th St., St. Andrews to Denker, 1,800 LF of 8-inch DIP (Construction)	2012	$597,400	$570,200	see note 3.1 below
Hawthorne Blvd., Century to 104th, Approximately 1,300 LF of 12-inch DIP & 1,400 LF of 8-inch DIP (Construction)	2012	$936,200	$893,700	see note 3.1 below
153rd St., Redondo Beach to McKinley, Approximately 700 LF of 8-inch DIP (Construction)	2012	$256,200	$244,500	see note 3.1 below
El Segundo Blvd., across Athens, Approximately 140 LF of 12-inch DIP (Construction)	2012	$248,400	$237,100	see note 3.1 below
149th St. easement, Wadsworth to Central, Approximately 4,300 LF of 8-inch DIP	2012	$1,836,300	$1,490,800	see note 3.1 below
Doty Ave., Marine to Manhattan Beach, Approximately 2,500 LF of 8-inch DIP	2012	$1,174,800	$953,700	see note 3.1 below
Aviation Blvd., Fusion Tract to Marine, Approximately 3,800 LF of 12-inch DIP	2012	$1,622,400	$1,317,000	see note 3.1 below
Gardena Blvd., Berendo to Figueroa, Approximately 3,900 LF of 8-inch DIP	2012 2013	$338,800 $1,200,600	$107,800 $1,146,000	see note 3.1 below

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
El Segundo Blvd., Roselle to Yukon, Approximately 2,500 LF of 8-inch DIP	2012 2013	$234,000 $829,100	$74,400 $791,400	see note 3.1 below
Imperial Hwy., Belhaven to w/o Stanford, Approximately 2,900 LF of 16-inch DIP	2012 2013	$579,900 $2,055,000	$184,500 $1,961,600	see note 3.1 below
Normandie Ave., Manchester to 99th, Approximately 5,000 LF of 8-inch DIP	2013 2014	$522,800 $1,884,100	$166,400 $1,798,500	see note 3.1 below
Alley w/o Vermont Ave., Manchester to 89th, Approximately 1,200 LF of 8-inch DIP	2013 2014	$42,100 $455,200	$40,200 $434,500	see note 3.1 below
Alley w/o Vermont Ave., 109th to Imperial, Approximately 2,300 LF of 8-inch DIP	2013 2014	$216,400 $779,900	$68,900 $744,400	see note 3.1 below
87th St., Normandie to Alley w/o Vermont, Approximately 2,200 LF of 8-inch DIP	2013 2014	$197,800 $712,100	$62,900 $679,700	see note 3.1 below
88th St., Normandie to Alley w/o Vermont, Approximately 2,200 LF of 8-inch DIP	2013 2014	$223,300 $804,600	$71,100 $768,000	see note 3.1 below
90th Pl., Normandie to Budlong, Approximately 1,300 LF of 8-inch DIP	2013 2014	$43,400 $469,100	$41,400 $447,800	see note 3.1 below
92nd St., Normandie to Budlong, Approximately 1,300 LF of 8-inch DIP	2013 2014	$43,500 $471,000	$41,500 $449,600	see note 3.1 below
93rd St., Normandie to Budlong, Approximately 1,300 LF of 8-inch DIP	2013 2014	$39,400 $426,900	$37,700 $407,500	see note 3.1 below
98th St., Budlong to Vermont, Approximately 2,400 LF of 8-inch DIP	2013 2014	$214,800 $774,800	$68,300 $739,500	see note 3.1 below
El Segundo Blvd., Budlong to Halldale, Approximately 1,600 LF of 12-inch DIP	2013 2014	$203,900 $735,200	$64,900 $701,800	see note 3.1 below
Avalon Blvd., 121st to El Segundo, Approximately 2,400 LF of 8-inch DIP (Design)	2014	$294,300	$93,600	see note 3.1 below

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Alley w/o Avalon Blvd., El Segundo to 132nd, Approximately 1,600 LF of 8-inch DIP (Design)	2014	$55,600	$53,100	see note 3.1 below
Faysmith Ave., Rosecrans to 147th, Approximately 1,400 LF of 8-inch DIP (Design)	2014	$39,600	$37,800	see note 3.1 below
Prarie Ave., 119th St to 119th Pl., Approximately 800 LF of 8-inch DIP (Design)	2014	$25,000	$23,800	see note 3.1 below
Southwest System-wide, GIS upgrade	2012	$209,500	$199,900	$206,700
Southwest, Meters	2012	$1,487,919	$445,470	$1,538,155
	2013	$500,201	$469,000	$521,121
	2014	$633,301	$483,300	$660,116
Southwest, Services	2012	$269,100	$251,800	$278,200
	2013	$275,900	$258,100	$287,100
	2014	$284,300	$266,000	$296,300
Southwest, Minor Main Replacements	2012	$1,777,100	$1,712,400	$1,837,200
	2013	$1,822,000	$1,755,700	$1,896,000
	2014	$1,877,300	$1,808,900	$1,956,600
Southwest, Misc Bowls & Column Extensions	2012	$113,400	$106,600	$117,300
	2013	$116,300	$109,300	$121,000
	2014	$119,800	$112,600	$124,900
Southwest, Office Furniture and Equipment	2012	$33,300	$32,600	$34,400
	2013	$69,298	$69,298	$72,127
	2014	$35,100	$34,400	$36,600
Southwest, Vehicles	2012	$217,684	$163,263	$225,044
	2013	$111,592	$111,592	$116,123
	2014	$155,085	$97,597	$161,644
Southwest, Misc Tools and Safety Equipment	2012	$82,358	$80,558	$85,070
	2013	$26,400	$24,600	$27,500
	2014	$50,328	$27,200	$28,400
Region 2 Subtotal		**$54,168,289**	**$46,680,553**	**$22,881,517**

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Region 3				
Orange County District, Office Furniture and Equipment	2012	$8,500	$8,000	$8,800
	2013	$8,700	$8,200	$9,100
	2014	$9,000	$8,400	$9,400
Orange County District, Misc Tools and Safety Equipment	2012	$8,900	$8,800	$9,300
	2013	$9,200	$9,000	$9,500
	2014	$9,500	$9,300	$9,900
Los Alamitos, Meters	2012	$461,289	$341,900	$476,885
	2013	$184,599	$184,599	$192,094
	2014	$180,852	$180,852	$188,500
Los Alamitos, Services	2012	$298,200	$282,800	$308,300
	2013	$305,800	$289,900	$318,200
	2014	$315,000	$298,700	$328,400
Los Alamitos, Minor Main Replacements	2012	$135,600	$131,200	$140,200
	2013	$139,000	$134,500	$144,600
	2014	$143,200	$138,600	$149,300
Los Alamitos, Minor Pumping Plant Equipment	2012	$42,200	$39,200	$43,600
	2013	$43,200	$40,200	$45,000
	2014	$44,500	$41,400	$46,400
Los Alamitos, Minor Purification Equipment	2012	$2,000	$2,000	$2,100
	2013	$2,100	$2,100	$2,200
	2014	$2,200	$2,100	$2,200
Los Alamitos, Office Furniture and Equipment	2012	$54,880	$54,480	$56,706
	2013	$13,000	$12,600	$13,600
	2014	$13,400	$13,000	$14,000
Los Alamitos, Misc Tools and Safety Equipment	2012	$21,400	$20,400	$22,200
	2013	$22,000	$20,900	$22,900
	2014	$28,643	$21,500	$23,600
Los Alamitos, Additions to General Structure	2012	$37,061	$37,061	$38,314
	2013	$0	$0	$0
	2014	$0	$0	$0
Cowan Heights PRV Upgrades	2013	$8,100	$5,200	$6,700
	2014	$58,400	$55,800	$58,100
Yorba Linda College Regulator Zone - New Pressure Zone	2013	$16,200	$10,300	$13,400
	2014	$116,800	$111,500	$116,200

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
OCTA Grade Separation Project - Orangethorpe Relocation	2012	$405,000	$166,400	$160,000
OCTA Grade Separation Project - Tustin Rose Relocation	2012	$247,300	$238,700	$244,100
Placentia, Meters	2012	$293,523	$184,800	$303,447
	2013	$163,817	$163,817	$170,468
	2014	$140,304	$140,304	$146,237
Placentia, Services	2012	$211,900	$200,400	$219,000
	2013	$217,200	$205,500	$226,000
	2014	$223,800	$211,700	$233,300
Placentia, Minor Main Replacements	2012	$94,000	$92,500	$97,200
	2013	$96,400	$94,900	$100,300
	2014	$99,300	$97,700	$103,500
Placentia, Minor Pumping Plant Equipment	2012	$109,000	$102,100	$112,700
	2013	$111,700	$104,700	$116,300
	2014	$115,100	$107,900	$120,000
Placentia, Minor Purification Equipment	2012	$2,200	$2,100	$2,200
	2013	$2,200	$2,100	$2,300
	2014	$2,300	$2,200	$2,400
Placentia, Office Furniture and Equipment	2012	$45,048	$45,048	$46,571
	2013	$6,000	$5,600	$6,200
	2014	$6,200	$5,800	$6,400
Placentia, Misc. Tools and Safety Equipment	2012	$26,300	$23,800	$27,200
	2013	$27,000	$24,400	$28,100
	2014	$33,743	$25,200	$29,000
Foothill District, Office Furniture and Equipment	2012	$22,500	$21,400	$23,300
	2013	$23,100	$21,900	$24,000
	2014	$23,800	$22,600	$24,800
Foothill District, Misc. Tools and Safety Equipment	2012	$15,000	$14,600	$15,500
	2013	$15,400	$15,000	$16,000
	2014	$15,800	$15,400	$16,500
Miramar Well 5 - Install Chlorine Building	2012	$153,400	$140,300	$148,200
Padua Plant - Seismic Upgrades (Construction)	2012	$80,200	$76,500	$79,100

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
Miramar Well 5 Transmission Main - Abandon	2012	$36,900	$35,300	see note 3.1 below
Bryn Mawr Dr., Mills to College, Approximately 2,000 LF of 8-inch DIP	2012	$502,100	$479,300	see note 3.1 below
Foothill Blvd., from Lynoak westerly, Approximately 1,800 LF of 8-inch DIP	2012	$387,300	$369,800	see note 3.1 below
Mountain Ave. & Geneva Ave., Doane to Arrow, Approximately 6,700 LF of 8-inch DIP	2012 2013	$413,100 $1,464,500	$131,500 $1,397,900	see note 3.1 below
Morelia Ave., Mills to Cuernavaca, Approximately 1,300 LF of 8-inch DIP	2012 2013	$27,600 $293,600	$26,300 $280,200	see note 3.1 below
Via Padova Rd., Install 6-inch PRV	2012 2013	$4,700 $49,600	$4,500 $47,400	see note 3.1 below
Danbury Rd. and Bridgeport Ave., Install 4-inch PRVs	2012 2013	$11,300 $120,500	$10,800 $115,000	see note 3.1 below
Indian Hill Blvd., Arrow to Santa Fe, Approximately 1,300 LF of 8-inch DIP	2013 2014	$29,500 $318,500	$28,100 $304,000	see note 3.1 below
Mount Baldy Rd., n/o Swarthmore, Approximately 100 LF of 8-inch DIP and 6-inch PRV	2013 2014	$8,500 $91,300	$8,100 $87,100	see note 3.1 below
7th St., Harvard to w/o College, Approximately 1,000 LF of 8-inch DIP (Design)	2014	$23,000	$22,000	see note 3.1 below
Miramar Ave., Miramar Well 5 to Mills, Approximately 2,000 LF of 8-inch DIP (Design)	2014	$44,400	$42,400	see note 3.1 below
Mountain Ave. & Tulane Dr., Hood to Santa Barbara, Approximately 6,400 LF of 8-inch DIP (Design)	2014	$403,600	$128,400	see note 3.1 below

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Bonita Ave., Mountain to Berkeley, Approximately 2,100 LF of 8-inch DIP (Design)	2014	$46,100	$44,000	see note 3.1 below
Claremont, Meters	2012	$255,157	$238,357	$263,842
	2013	$183,881	$166,681	$191,428
	2014	$184,530	$166,730	$192,492
Claremont, Services	2012	$242,700	$229,000	$250,900
	2013	$248,800	$234,700	$258,900
	2014	$256,400	$241,900	$267,200
Claremont, Minor Main Replacements	2012	$38,800	$37,200	$40,100
	2013	$39,800	$38,200	$41,400
	2014	$41,000	$39,300	$42,800
Claremont, Minor Pumping Plant Equipment	2012	$202,100	$195,500	$209,000
	2013	$207,200	$200,500	$215,600
	2014	$213,500	$206,500	$222,500
Claremont, Office Furniture and Equipment	2012	$17,200	$16,800	$17,800
	2013	$17,600	$17,200	$18,400
	2014	$18,200	$17,700	$18,900
Claremont, Misc Tools and Safety Equipment	2012	$6,100	$5,800	$6,300
	2013	$6,200	$5,900	$6,500
	2014	$15,579	$6,100	$6,700
Terrebonne Reservoir - Seismic Upgrades (Construction)	2012	$66,400	$63,300	$65,500
Via Blanca Reservoir - Seismic Upgrades (Construction)	2012	$88,500	$84,500	$87,300
Via Verde - Replace Electrical	2013	$298,200	$252,100	$296,200
Puddingstone Dr., e/o Walnut, Approximately 800 LF of 8-inch DIP	2012	$288,300	$275,200	see note 3.1 below
Foothill Blvd., Longhorn to Walnut, Approximately 400 LF of 12-inch DIP (Construction)	2012	$136,700	$130,500	see note 3.1 below

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Calora St. and Kinsella St., Cienega to Bonnie Cove, Approximately 1,400 LF of 8-inch DIP	2012	$33,300	$31,800	see note 3.1 below
	2013	$354,400	$338,300	
San Dimas, Meters	2012	$185,252	$171,452	$191,573
	2013	$170,917	$156,717	$178,005
	2014	$168,379	$153,779	$175,524
San Dimas, Services	2012	$263,900	$250,900	$272,800
	2013	$270,600	$257,200	$281,600
	2014	$278,800	$265,000	$290,600
San Dimas, Minor Main Replacements	2012	$131,400	$126,200	$135,800
	2013	$134,700	$129,400	$140,200
	2014	$138,800	$133,300	$144,700
San Dimas, Minor Pumping Plant Equipment	2012	$72,300	$66,900	$74,700
	2013	$74,100	$68,600	$77,100
	2014	$76,300	$70,700	$79,600
San Dimas, Office Furniture and Equipment	2012	$10,500	$10,000	$10,800
	2013	$10,700	$10,200	$11,200
	2014	$11,100	$10,600	$11,500
San Dimas, Vehicles	2012	$16,307	$16,307	$16,859
	2013	$54,066	$54,066	$56,261
	2014	$154,380	$0	$0
San Dimas, Misc Tools and Safety Equipment	2012	$9,900	$9,500	$10,200
	2013	$10,100	$9,700	$10,600
	2014	$19,579	$10,000	$10,900
Olive St., Arden to El Monte, Approximately 8,000 LF of 8-inch DIP (Construction)	2012	$1,646,200	$1,571,300	see note 3.1 below
Halifax Rd., Emery to Bisby, Approximately 2,000 LF of 8-inch DIP	2012	$555,400	$530,100	see note 3.1 below
Marshburn Ave., Cochin Ave., Huddart Ave., & Garypark Ave., Daines to Lynrose, Approximately 3,500 LF of 8-inch DIP	2012	$247,200	$78,600	see note 3.1 below
	2013	$875,400	$835,600	

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Lenore Ave., Lynrose to Wildflower, Approximately 4,100 LF of 8-inch DIP	2012 2013	$263,200 $932,700	$83,700 $890,300	see note 3.1 below
Pal Mal Ave., Key West to Olive, Approximately 2,800 LF of 8-inch DIP	2012 2013	$60,400 $642,100	$57,600 $612,900	see note 3.1 below
Fratus Dr., Rio Hondo to Pentland, Approximately 5,500 LF of 8-inch DIP	2013 2014	$367,600 $1,324,300	$117,000 $1,264,100	see note 3.1 below
California Ave., Brisbane to El Sur, Approximately 3,900 LF of 8-inch DIP	2013 2014	$247,600 $892,500	$78,800 $851,900	see note 3.1 below
Parmerton Ave., Blackley to Daneswood, Approximately 1,900 LF of 8-inch DIP	2013 2014	$42,800 $463,700	$40,900 $442,600	see note 3.1 below
Camellia St., La Rosa to Blackley, Approximately 1,800 LF of 8-inch DIP	2013 2014	$42,400 $458,900	$40,500 $438,000	see note 3.1 below
Marsen St., Glenfair St., Frankmont St., Halifax to Esto, Approximately 2,500 LF of 8-inch DIP	2013 2014	$58,200 $629,000	$55,600 $600,400	see note 3.1 below
Pal Mal Ave., Lower Azusa to Key West, Approximately 4,000 LF of 8-inch DIP (Design)	2014	$269,500	$85,700	see note 3.1 below
Saxon Plant - install chlorine analyzer and contact chamber for Well #4	2013	$111,500	$102,100	$108,500
San Gabriel Valley, Meters	2012 2013 2014	$170,573 $124,207 $115,622	$158,273 $111,607 $102,622	$176,316 $129,237 $120,561
San Gabriel Valley, Services	2012 2013 2014	$300,600 $308,200 $317,500	$288,300 $295,600 $304,500	$310,700 $320,700 $330,900
San Gabriel Valley, Minor Main Replacements	2012 2013 2014	$53,400 $54,800 $56,400	$53,100 $54,400 $56,100	$55,200 $57,000 $58,800
San Gabriel Valley, Minor Pumping Plant Equipment	2012 2013 2014	$54,900 $56,200 $57,900	$53,300 $54,700 $56,300	$56,700 $58,500 $60,400

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
San Gabriel Valley, Office Furniture and Equipment	2012	$6,500	$6,300	$6,700
	2013	$6,700	$6,500	$6,900
	2014	$6,900	$6,700	$7,100
San Gabriel Valley, Misc Tools and Safety Equipment	2012	$5,700	$5,600	$5,900
	2013	$5,800	$5,700	$6,100
	2014	$15,179	$5,900	$6,300
Mountain-Desert District, Office Furniture and Equipment	2012	$14,162	$14,162	$14,641
	2013	$25,212	$25,212	$26,236
	2014	$13,600	$12,700	$14,200
Mountain-Desert District, Vehicles	2012	$0	$0	$0
	2013	$0	$0	$0
	2014	$41,822	$35,847	$43,590
Mountain-Desert District, Misc Tools and Safety Equipment	2012	$1,900	$1,900	$2,000
	2013	$2,000	$2,000	$2,000
	2014	$2,000	$2,000	$2,100
Crooks Zone Improvements	2012	$469,600	$336,800	See paragraph 3.8 below
Rimrock Tank, recoat interior and add cathodic protection	2012	$179,000	$163,500	$172,700
Agarita Tank, add cathodic protection	2012	$46,900	$42,900	$45,300
Barstow, Meters	2012	$214,500	$202,500	$221,800
	2013	$219,900	$207,600	$228,900
	2014	$226,600	$213,900	$236,200
Barstow, Services	2012	$481,300	$457,400	$497,600
	2013	$493,500	$469,000	$513,500
	2014	$508,400	$483,200	$529,900
Barstow, Minor Main Replacements	2012	$60,300	$59,500	$62,300
	2013	$61,800	$61,000	$64,300
	2014	$63,700	$62,900	$66,400

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Barstow, Minor Pumping Plant Equipment	2012	$62,200	$60,400	$64,300
	2013	$63,800	$61,900	$66,400
	2014	$65,700	$63,800	$68,500
Barstow, Office Furniture and Equipment	2012	$10,819	$10,819	$11,184
	2013	$4,700	$4,600	$4,900
	2014	$4,900	$4,700	$5,100
Barstow, Misc Tools and Safety Equipment	2012	$6,100	$5,900	$6,300
	2013	$6,200	$6,100	$6,500
	2014	$19,875	$6,200	$6,700
Holabird - enlarge washwater recycling	2012	$931,800	$680,000	$811,400
Calipatria, Meters	2012	$19,000	$18,600	$19,600
	2013	$19,400	$19,100	$20,200
	2014	$20,000	$19,600	$20,900
Calipatria, Services	2012	$40,300	$36,500	$41,700
	2013	$41,300	$37,400	$43,000
	2014	$42,600	$38,500	$44,400
Calipatria, Minor Main Replacements	2012	$14,300	$14,300	$14,800
	2013	$14,700	$14,600	$15,300
	2014	$15,200	$15,100	$15,800
Calipatria, Minor Pumping Plant Equipment	2012	$20,453	$20,453	$21,144
	2013	$4,900	$4,800	$5,100
	2014	$24,507	$24,507	$25,543
Calipatria, Office Furniture and Equipment	2012	$6,867	$6,867	$7,099
	2013	$3,550	$3,350	$3,637
	2014	$700	$600	$700
Calipatria, Misc Tools and Safety Equipment	2012	$2,821	$2,821	$2,916
	2013	$3,266	$3,266	$3,399
	2014	$9,938	$100	$100
Morongo Valley, Meters	2012	$9,000	$8,300	$9,300
	2013	$9,300	$8,500	$9,600
	2014	$9,600	$8,700	$10,000
Morongo Valley, Services	2012	$13,500	$12,700	$14,000
	2013	$13,900	$13,000	$14,400
	2014	$14,300	$13,400	$14,900

Table 3.4

Partially Agreed Projects

	Year	GSWC	DRA	Settlement
Morongo Valley, Minor Pumping Plant Equipment	2012	$74,759	$74,759	$77,287
	2013	$22,400	$21,200	$23,300
	2014	$37,183	$37,183	$38,755
Morongo Valley, Office Furniture and Equipment	2012	$6,867	$6,867	$7,099
	2013	$5,100	$4,900	$5,300
	2014	$5,300	$5,100	$5,500
Morongo Valley, Misc. Tools and Safety Equipment	2012	$500	$500	$500
	2013	$2,290	$2,290	$2,383
	2014	$11,773	$2,336	$2,434
Central Well 2, Replace Electrical Panel (Construction)	2012	$244,300	$233,200	$241,100
Mohawk Plant - 3A new pump base, chemical building, pump building	2013	$37,700	$24,000	$31,100
	2014	$271,400	$259,000	$270,000
Pitzer Butte Demo Reservoir	2014	$151,000	$138,200	$147,000
Caribou Ave., Wren to Merino, Approximately 1,800 LF of 8-inch PVC (Construction)	2012	$269,600	$257,300	see note 3.1 below
Quinault Rd., Miramot to Pah Ute, Approximately 2,000 LF of 8-inch PVC	2012	$355,600	$339,500	see note 3.1 below
Manhasset Rd., Tussing Ranch to Panoche, Approximately 1,200 LF of 8-inch PVC	2012	$209,700	$200,200	see note 3.1 below
Panoche Rd., Manhasset to Cochiti, Approximately 700 LF of 8-inch PVC	2012	$153,000	$146,100	see note 3.1 below
Wisteria St., w/o Verde, Approximately 700 LF of 8-inch PVC	2012	$11,700	$11,200	see note 3.1 below
	2013	$125,000	$119,300	
Valencia St., Rambling to Rambling, Approximately 1,800 LF of 8-inch PVC	2012	$28,400	$27,100	see note 3.1 below
	2013	$301,300	$287,700	
Central Rd., Ottawa to Powhatan, Approximately 2,000 LF of 8-inch PVC	2012	$39,100	$37,300	see note 3.1 below
	2013	$415,900	$397,000	

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
Outer Central Hwy., Miramot to Sioux, Approximately 500 LF of 8-inch PVC	2013 2014	$8,400 $90,400	$8,000 $86,300	see note 3.1 below
Verde Dr., Kiowa to Valencia, Approximately 1,300 LF of 8-inch PVC (Design)	2014	$21,000	$20,000	see note 3.1 below
Waalew Rd., Mesquite to Neenach, Approximately 900 LF of 8-inch PVC	2013 2014	$15,300 $165,200	$6,700 $72,200	see note 3.1 below
Josma Rd., e/o Pauhaska to Central, Approximately 2,900 LF of 8-inch PVC (Design)	2014	$39,200	$18,300	see note 3.1 below
Mesquite Rd., Papago to Chipeta, Approximately 1,300 LF of 8-inch PVC (Design)	2014	$22,900	$9,500	see note 3.1 below
Pitzer Butte Pipeline, Carson to Carnelian, Approximately 6,600 LF of 12-inch PVC	2012	$492,500	$470,200	see note 3.1 below
Apple Valley, Meters	2012 2013 2014	$50,200 $51,500 $53,000	$46,500 $47,700 $49,100	$51,900 $53,600 $55,300
Apple Valley, Services	2012 2013 2014	$129,500 $132,800 $136,800	$122,100 $125,100 $128,900	$133,900 $138,200 $142,600
Apple Valley, Minor Main Replacements	2012 2013 2014	$51,100 $52,400 $53,900	$50,400 $51,700 $53,300	$52,800 $54,500 $56,200
Apple Valley, Minor Pumping Plant Equipment	2012 2013 2014	$52,000 $53,300 $54,900	$49,600 $50,800 $52,400	$53,800 $55,500 $57,300
Apple Valley, Misc. Tools and Safety Equipment	2012 2013 2014	$2,900 $3,000 $10,218	$2,800 $2,900 $3,380	$3,000 $3,100 $3,523

Table 3.4 Partially Agreed Projects				
	Year	GSWC	DRA	Settlement
Wrightwood Get Electricity to Warehouse	2012	$42,800	$39,000	$41,300
Wrightwood Water Supply Evaluation	2012	$213,700	$195,400	$206,400
Cedar #1 and Bufford #5, Quick Connects	2014	$40,100	$36,700	$39,000
Oriole Rd., from Lark east to end, Approximately 6,200 LF of 8-inch PVC (Construction)	2012	$1,398,600	$1,335,000	see note 3.1 below
Wrightwood, Meters	2012	$14,500	$14,000	$15,000
	2013	$14,800	$14,400	$15,400
	2014	$15,300	$14,800	$15,900
Wrightwood, Services	2012	$27,000	$25,900	$27,900
	2013	$27,600	$26,500	$28,800
	2014	$28,500	$27,300	$29,700
Wrightwood, Minor Main Replacements	2012	$7,200	$7,100	$7,500
	2013	$7,400	$7,300	$7,700
	2014	$7,600	$7,500	$8,000
Wrightwood, Minor Pumping Plant Equipment	2012	$22,900	$22,200	$23,700
	2013	$23,500	$22,800	$24,400
	2014	$24,200	$23,500	$25,200
Wrightwood, Minor Purification Equipment	2012	$1,500	$1,500	$1,600
	2013	$1,600	$1,500	$1,600
	2014	$1,600	$1,600	$1,700
Wrightwood, Office Furniture and Equipment	2012	$5,819	$5,819	$5,819
	2013	$3,900	$3,800	$4,100
	2014	$4,000	$3,900	$4,200
Wrightwood, Misc. Tools and Safety Equipment	2012	$2,222	$2,222	$2,297
	2013	$900	$900	$1,000
	2014	$9,938	$900	$1,000
Region 3 Subtotal		**$38,763,528**	**$34,390,612**	**$18,941,506**
Total Regions 1, 2 & 3		**$112,318,547**	**$99,104,073**	**$58,245,403**

Note 3.1: GSWC requested a number of non-recurring pipeline projects based on the results of its comprehensive Pipeline Management Program. The Pipeline Management Program weighs a number of factors to target aging and failing pipelines for replacement in order to maintain reliable, and cost-effective service. Please see GSWC's Pipeline Management Program Report submitted in this proceeding.[3] As part of the overall settlement of the capital budgets and in light of the current economic landscape, GSWC agreed to a budget for non-recurring pipeline projects in each ratemaking area that is less than the total budget originally requested by GSWC. Furthermore, given that GSWC is in the best position to manage the repair and replacement of its pipelines, these settled budgets do not identify individual pipeline projects, but rather provide GSWC with a pool of funds to complete pipeline projects during the rate-case cycle. Although GSWC expects to undertake many of the pipeline projects it has requested in this proceeding, the settled budgets provide GSWC with the flexibility to address and prioritize pipeline replacements as changing situations arise. The amounts in each ratemaking area agreed to by the Parties are as follows:

Table 3.5
Pipeline Management Projects

	Year	GSWC	DRA	Settlement
Arden Cordova	2012	$225,000	$24,900	$133,700
	2013	$1,236,400	$0	$780,400
	2014	$966,800	$0	$1,099,500
Bay Point	2012	$223,400	$0	$220,400
	2013	$301,800	$0	$221,500
	2014	$465,600	$37,800	$119,400
Clearlake	2012	$0	$0	$0
	2013	$125,900	$0	$125,100
	2014	$251,700	$22,700	$250,400

[3] GSWC-30, DRA-3 Revised, DRA-11 Revised, DRA-14 Revised, DRA-15 Revised, GSWC-84, GSWC-85, GSWC-86 and GSWC-87

Table 3.5 Pipeline Management Projects				
	Year	GSWC	DRA	Settlement
Los Osos	2012	$61,400	$46,000	$60,800
	2013	$190,800	$9,400	$179,600
	2014	$578,000	$142,400	$468,800
Ojai	2012	$1,103,000	$762,200	$1,088,600
	2013	$529,400	$0	$448,700
	2014	$1,758,200	$0	$1,044,100
Santa Maria	2012	$54,800	$0	$54,100
	2013	$932,700	$333,900	$833,800
	2014	$1,744,100	$1,202,900	$1,606,800
Simi Valley	2012	$473,300	$0	$0
	2013	$681,900	$0	$129,100
	2014	$195,100	$0	$893,100
Region 1 Subtotal		**$12,099,300**	**$2,582,200**	**$9,757,900**
Region 2	2012	$19,784,400	$7,308,700	$13,731,499
	2013	$24,365,300	$8,982,500	$15,221,520
	2014	$22,488,200	$10,402,000	$14,386,730
Region 2 Subtotal		**$66,637,900**	**$26,693,200**	**$43,339,749**
Region 3	2012	$15,551,500	$6,640,200	$13,058,600
	2013	$12,099,400	$5,705,300	$7,488,200
	2014	$10,458,600	$4,516,900	$6,719,400
Region 3 Subtotal		**$38,109,500**	**$16,862,400**	**$27,266,200**
Total Regions 1, 2 & 3		**$116,846,700**	**$46,137,800**	**$80,363,849**

3.8 MDD-related Projects

GSWC's Request and DRA's Position:

GSWC requested non-recurring capital projects in certain water systems in Region 3 in order to meet MDD in those water systems. In accordance

with the California Waterworks Standards, GSWC determined that it needed sufficient supply sources in a water system to meet the highest single-day demand in that system during the last 10 years in order to meet MDD. DRA used recent demands in a water system and the historical relationship between MDD and Average Day Demand (ADD) in that system to derive its MDD calculations.

Resolution:

The Parties agree that the Region 3 settled capital budgets for 2012, 2013 and 2014 shall each include $5 Million to fund these MDD-related projects. Since the settlement amounts are less than the amounts GSWC forecasted to spend on those MDD-related projects, the Parties agree that GSWC may resubmit any of these MDD-related projects in a future general rate case if it is unable to construct such MDD-related projects within the settlement budget amounts agreed to in this proceeding. The MDD-related projects included in GSWC's request in this proceeding are:

Table 3.6		
Region 3 Maximum Day Demand Projects		
	Year	GSWC Request
Reservoir - Construct two 1.5 MG Reservoirs in North Pressure Zone (Placentia)	2013 2014	$602,200 $4,340,100
Margarita Well #2 - Drill and Equip Replacement Well (Claremont)	2013 2014	$447,600 $1,612,900
Crooks Zone Improvements (Barstow)	2012	$469,600
Bear Valley - Phase II Reservoir (Barstow)	2012	$1,632,100
Irwin Reservoir, construct reservoir and pipeline (Barstow)	2012 2013	$1,235,400 $2,918,600
Linda Vista Booster Station (Barstow)	2012 2013	$333,600 $788,400
Agarita Boosters, booster pump and pipelines (Barstow)	2013 2014	$450,300 $1,082,100
New Beryl Reservoir, construct reservoir (Barstow)	2012 2013	$437,900 $1,034,900
Basalt Reservoir, demo existing reservoir (Barstow)	2014	$45,100
Beryl Reservoir, demo existing reservoir (Barstow)	2014	$50,800

Table 3.6		
Region 3 Maximum Day Demand Projects		
	Year	GSWC Request
Valley Crest Reservoirs (Apple Valley)	2012	$1,635,100
Total Region 3		**$19,116,700**

3.9 Region Capital Budgets Disputed by DRA

GSWC's Request and DRA's Position:

In this proceeding, DRA disputed the need for various capital projects included in GSWC's proposed capital budgets for Regions 1, 2, and 3. In addition, DRA recommended that certain capital projects in the proposed capital budgets for Regions 1, 2 and 3 should be included in rate base through a separate rate base offset advice letter filing only after the project had been completed.

Resolution:

Based on the testimony and evidence submitted in this proceeding[4] and the parties' positions during settlement, the Parties agree that GSWC shall be authorized to undertake some of those capital projects that DRA initially objected to with revised budgets. The agreed-to capital projects and their revised budgets, which include revisions to account for the settlement of the issues identified in paragraphs 3.1, 3.3 and 3.4 above, are set forth in the chart below:

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Region 1				
Northern District Office, Contingency	2012	$280	$0	$70
	2013	$1,540	$0	$400
	2014	$1,580	$0	$413

[4] GSWC-30, DRA-3 Revised, DRA-11 Revised, DRA-14 Revised, DRA-15 Revised, GSWC-84, GSWC-85, GSWC-86 and GSWC-87

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Rushden Plant, Remove Propane Tank Pad and Bollards	2013	$22,300	$0	$0
Arden Cordova, Misc. Street Improvements	2012 2013 2014	$32,500 $32,500 $32,500	$0 $0 $0	$0 $0 $0
Chassella Way, Dolecetto to Aramon, Approximately 2,300 LF of 8-inch DIP	2012 2013	$89,600 $476,300	$0 $0	see note 3.1 above
Dawes St., Dolecetto to Malaga, Approximately 1,800 LF of 8-inch DIP	2012 2013	$109,300 $581,200	$0 $0	see note 3.1 above
Brenda Way, Dawes to Chase, Approximately 2,500 LF of 8-inch DIP	2013 2014	$178,900 $966,800	$0 $0	see note 3.1 above
Arden Cordova, Contingency	2012 2013 2014	$46,990 $68,440 $61,370	$0 $0 $0	$11,955 $17,800 $15,790
Arden Cordova, New Business Funded by GSWC	2012 2013 2014	$25,000 $25,000 $25,000	$0 $0 $0	$0 $0 $0
Bay Point, Misc. Street Improvements	2012 2013 2014	$21,500 $21,500 $21,500	$0 $0 $0	$0 $0 $0
Manor Dr., Willow Pass to Beverly, Approximately 750 LF of 8-inch DIP1,2 (Construction)	2012	$181,400	$0	see note 3.1 above
Mary Ann Ln., Clearland to Clearland, Approximately 800 LF of 8-inch DIP	2012 2013	$42,000 $223,000	$0 $0	see note 3.1 above
Ambrose Ave., Willow Pass to Hill, Approximately 1,500 LF of 12-inch DIP	2013 2014	$78,800 $426,000	$0 $0	see note 3.1 above
Bay Point, Contingency	2012 2013 2014	$39,600 $38,200 $49,610	$0 $0 $0	$9,988 $9,938 $12,815
New Business Funded by GSWC - Bay Point	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Oakcrest and San Joaquin Plants, Install SCADA	2013	$41,200	$0	$30,100
Clearlake, Misc. Street Improvements	2012 2013 2014	$2,300 $2,300 $2,300	$0 $0 $0	$0 $0 $0
Manakee Ave., Pomo to Scenic, Approximately 300 LF of 8-inch PVC1,3	2013	$104,800	$0	see note 3.1 above
Park Terrace, w/o Parkview, Approximately 1,000 LF of 8-inch PVC	2013 2014	$21,100 $228,000	$0 $0	see note 3.1 above
Clearlake, Contingency	2012 2013 2014	$17,855 $20,430 $23,630	$0 $0 $0	$4,599 $5,313 $6,048
Clearlake, New Business Funded by GSWC	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0
Coastal District, Contingency	2012 2013 2014	$910 $4,730 $2,040	$0 $0 $0	$228 $1,228 $530
Purchase Land for Edna Well	2012	$553,000	$0	$545,700
Drill and Equip Well (Edna)	2012 2013	$485,700 $1,721,300	$0 $0	$399,400 $1,709,800
Destroy Wells - Country Club, Rolling Hills #2	2014	$79,600	$0	$77,500
SCADA Upgrades (Los Osos)	2013	$40,500	$0	$29,500
Destroy Highland Wells (2 wells)	2014	$79,600	$0	$77,500
Los Osos, Misc. Street Improvements	2012 2013 2014	$10,000 $10,000 $10,000	$0 $0 $0	$0 $0 $0
Hacienda Ave., Crestmont to Machado, Approximately 1,300 LF of 8-inch DIP	2013 2014	$25,400 $274,000	$0 $0	see note 3.1 above
Broderson Ave., Loma to Skyline, Approximately 800 LF of 8-inch DIP	2012 2013	$13,300 $141,200	$0 $0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Rosina Ave., Rosina Plant to Doris, Approximately 500 LF of 12-inch DIP	2013 2014	$14,300 $154,700	$0 $0	see note 3.1 above
Los Osos, Contingency	2012 2013 2014	$16,394 $24,360 $28,490	$0 $0 $0	$4,099 $6,335 $7,325
Los Osos, New Business Funded by GSWC	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0
Valley View Plant - Acquire Land to Relocate Booster Station	2013	$244,700	$0	$243,100
Valley View Plant - Relocate and Upgrade (Design)	2014	$436,700	$0	$265,500
Ojai, Misc. Street Improvements	2012 2013 2014	$10,000 $10,000 $10,000	$0 $0 $0	$0 $0 $0
El Toro Road, Del Norte to Tico, Approximately 1,300 LF of 8-inch DIP	2012	$282,200	$0	see note 3.1 above
Verano Dr., n/o Cuyama, Approximately 700 LF of 6-inch DIP	2012 2013	$12,000 $127,400	$0	see note 3.1 above
Libbey Ave., Del Oro to Raymond, Approximately 400 LF of 8-inch DIP	2012 2013	$10,400 $110,600	$0	see note 3.1 above
Grand Ave., Ellison to San Antonio Plant, Approximately 3,800 LF of 16-inch DIP	2013 2014	$291,400 $1,049,500	$0	see note 3.1 above
Ojai Ave., Bristol to Gridley, Approximately 7,200 LF of 12-inch DIP (Design)	2014	$708,700	$0	see note 3.1 above
Ojai, Contingency	2012 2013 2014	$49,814 $52,590 $49,620	$0 $0 $0	$12,453 $13,680 $12,828
Ojai, New Business Funded by GSWC	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Lake Marie Well #3 - Destroy	2013	$23,700	$0	$22,900
Evergreen Wells #1 and #2 - Destroy Wells	2013	$77,300	$0	$75,300
Vista Plant - Destroy Tank, Filters and Well #3, #4, and #5	2013	$181,900	$0	$0
Santa Maria, Misc. Street Improvements	2012 2013 2014	$20,000 $20,000 $20,000	$0 $0 $0	$0 $0 $0
Marvin St. and Flower St., Winter to Miles, Approximately 2,300 LF of 8-inch DIP	2012 2013	$54,800 $582,900	$0 $0	see note 3.1 above
Bradley Rd, Stubblefield to Oak Knoll, 5,400 LF of 16-inch DIP (Design)	2014	$483,900	$0	see note 3.1 above
Santa Maria, Contingency	2012 2013 2014	$85,268 $102,539 $92,465	$0 $0 $0	$21,317 $26,677 $23,883
Santa Maria, New Business Funded by GSWC	2012 2013 2014	$25,000 $25,000 $25,000	$0 $0 $0	$0 $0 $0
Appleton Plant - Demo	2014	$20,000	$0	$19,500
Simi Valley, Misc. Street Improvements	2012 2013 2014	$10,000 $10,000 $10,000	$0 $0 $0	$0 $0 $0
Alamo St., Glencoe to Lemon, Approximately 900 LF of 12-inch DIP	2012	$280,900	$0	see note 3.1 above
Cochran St., Jay to Sycamore, Approximately 1,700 LF of 12-inch DIP	2012 2013	$192,400 $681,900	$0 $0	see note 3.1 above
East Los Angeles Ave., Sycamore to Sequoia, Approximately 5,100 LF of 12-inch DIP (Design)	2014	$195,100	$0	see note 3.1 above
Simi Valley, Contingency	2012 2013 2014	$30,929 $41,220 $22,050	$0 $0 $0	$7,732 $10,722 $5,535

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Simi Valley, New Business Funded by GSWC	2012 2013 2014	$25,000 $25,000 $25,000	$0 $0 $0	$0 $0 $0
Region 1 Subtotal		**$14,978,544**	**$0**	**$3,745,501**
Region 2				
Install SCADA System Control Center	2012 2013	$23,300 $165,100	$0 $0	$14,400 $123,000
Central District, Contingency	2012 2013 2014	$7,487 $31,258 $9,209	$0 $0 $0	$1,937 $8,130 $900
Central District, Vehicles for Fluoridation Operators	2013	$223,184	$0	$232,245
Artesia System, install SCADA	2012 2013	$20,000 $212,600	$0 $0	$14,800 $158,400
Centralia Plant, Construct Booster Pump E	2013 2014	$42,000 $302,300	$0 $0	$34,800 $300,800
Centralia Well #7 - Drill and Equip Replacement Well	2013 2014	$450,000 $1,621,400	$0 $0	$372,500 $1,613,200
Dace Plant, replacement well and chemical building	2012	$1,610,000	$0	Advice Letter
Norwalk System, install SCADA	2012 2013	$35,100 $248,100	$0 $0	$21,600 $184,800
Central Basin East, Misc. Street Improvements	2012 2013 2014	$223,000 $223,000 $223,000	$0 $0 $0	$0 $0 $0
Civic Center Dr., Norwalk to Joliet, Approximately 900 LF of 12-inch DIP (Construction)	2012	$390,400	$0	see note 3.1 above
Ringwood Ave., Hercules to Dune, Approximately 1,200 LF of 8-inch DIP (Construction)	2012	$397,200	$0	see note 3.1 above
Orr Rd., Elizabeth to Tina, Approximately 600 LF of 8-inch DIP (Construction)	2012	$214,400	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Elizabeth St., Orr to end, Approximately 900 LF of 8-inch DIP (Construction)	2012	$304,400	$0	see note 3.1 above
Imperial Hwy, Pioneer to Zeus, Approximately 1,300 LF of 12-inch DIP (Construction)	2012	$418,200	$0	see note 3.1 above
Arlee Ave., Crewe to Allard, Approximately 1,300 LF of 12-inch DIP	2012 2013	$56,400 $599,000	$0 $0	see note 3.1 above
Pioneer Blvd., s/o Allard, Approximately 1,100 LF of 8-inch DIP	2012 2013	$44,100 $469,300	$0 $0	see note 3.1 above
Bombardier Ave., Crewe to n/o Gem, Approximately 700 LF of 8-inch DIP	2012 2013	$25,100 $267,200	$0 $0	see note 3.1 above
Paddison Ave., Bombardier to Crewe, Approximately 700 LF of 8-inch DIP	2012 2013	$35,700 $379,600	$0 $0	see note 3.1 above
Crewe St., Bombardier to Kalnor, Approximately 1,400 LF of 8-inch DIP	2012 2013	$46,300 $491,700	$0 $0	see note 3.1 above
Zeus Ave., n/o Crewe, Approximately 300 LF 6-inch DIP	2012 2013	$11,600 $123,000	$0 $0	see note 3.1 above
Dune St., Arlee to Bombardier, Approximately 600 LF of 8-inch DIP	2012 2013	$27,500 $291,900	$0 $0	see note 3.1 above
Gem St., Arlee to Bombardier, Approximately 800 LF of 8-inch DIP	2012 2013	$33,500 $356,500	$0 $0	see note 3.1 above
Hercules St., Arlee to Bombardier, Approximately 1,000 LF of 8-inch DIP	2012 2013	$43,200 $458,500	$0 $0	see note 3.1 above
Cyclops St., Arlee to Bombardier, Approximately 1,300 LF of 8-inch DIP	2012 2013	$204,000 $722,600	$0 $0	see note 3.1 above
Hermes St., Kalnor to Norwalk, Approximately 800 LF of 8-inch DIP (Design)	2014	$38,200	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Kenney St., Bombardier to Norwalk, Approximately 1,200 LF of 8-inch DIP (Design)	2014	$52,700	$0	see note 3.1 above
Achilles St., Kalnor to Norwalk, Approximately 800 LF of 8-inch DIP (Design)	2014	$38,200	$0	see note 3.1 above
Lakeland Rd., Kalnor to Norwalk, Approximately 1,000 LF of 8-inch DIP (Design)	2014	$35,000	$0	see note 3.1 above
Norwalk Blvd., Lakeland to s/o Kenney, Approximately 900 LF of 8-inch DIP (Design)	2014	$29,700	$0	see note 3.1 above
Central Basin East, Contingency	2012 2013 2014	$102,459 $96,715 $97,566	$0 $0 $0	$25,073 $25,114 $26,609
Central Basin East, New Business Funded by GSWC	2012 2013 2014	$3,000 $3,000 $3,000	$0 $0 $0	$0 $0 $0
Bell-Bell Gardens, System-wide, install SCADA	2012 2013	$35,100 $248,100	$0 $0	$21,600 $184,800
Priory Plant, security and fencing improvements	2013 2014	$6,200 $44,500	$0 $0	$0 $0
Florence-Graham, System-wide, install SCADA	2013 2014	$40,500 $292,100	$0 $0	$25,200 $218,000
Hollydale, System-wide, install SCADA	2013 2014	$15,300 $109,500	$0 $0	$9,500 $81,700
Willowbrook, System-wide, install SCADA	2013 2014	$10,100 $73,000	$0 $0	$6,300 $54,500
Central Basin West, Misc. Street Improvements	2012 2013 2014	$141,000 $141,000 $141,000	$0 $0 $0	$0 $0 $0
Woodward Ave., Brompton to Weik, approximately 1,200 LF of 8-inch DIP	2012 2013	$38,700 $410,900	$0 $0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Brompton Ave., Woodward to King, Approximately 600 LF of 8-inch DIP	2012 2013	$23,900 $253,700	$0 $0	see note 3.1 above
Weik Ave., Woodward to Mayflower, Approximately 1,100 LF of 8-inch DIP	2012 2013	$36,800 $390,500	$0 $0	see note 3.1 above
King Ave., Gage to s/o Bell, Approximately 1,100 LF of 8-inch DIP	2013 2014	$35,300 $380,700	$0 $0	see note 3.1 above
Acacia St., Prospect to Mayflower, Approximately 400 LF of 8-inch DIP	2013 2014	$14,900 $160,100	$0 $0	see note 3.1 above
Nevada St., Prospect to Mayflower, Approximately 400 LF of 8-inch DIP	2013 2014	$13,200 $142,500	$0 $0	see note 3.1 above
Bell Pl., King to Mayflower, Approximately 700 LF of 8-inch DIP	2013 2014	$24,600 $266,500	$0 $0	see note 3.1 above
Mayflower Ave., Acacia to Bell, Approximately 700 LF of 8-inch DIP	2013 2014	$22,700 $245,900	$0 $0	see note 3.1 above
Prospect Ave., Gage to Bell, Approximately 1,000 LF of 8-inch DIP (Design)	2014	$30,900	$0	see note 3.1 above
Pine Ave., Gage to Bell, Approximately 1,300 LF of 8-inch DIP (Design)	2014	$42,600	$0	see note 3.1 above
Holmes Ave., Nadeau to 81st, Approximately 700 LF of 8-inch DIP (Construction)	2012	$244,200	$0	see note 3.1 above
Beach St., Nadeau to 83rd, Approximately 1,800 LF of 12-inch DIP (Construction)	2012	$645,900	$0	see note 3.1 above
Compton Ave., Nadeau to 83rd, Approximately 2,000 LF of 8-inch DIP	2012 2013	$199,200 $706,500	$0 $0	see note 3.1 above
81st St., Zamora to Maie, Approximately 2,100 LF of 8-inch DIP	2012 2013	$199,600 $707,700	$0 $0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Aldis Ave., Zamora to Antwerp, Approximately 700 LF of 8-inch DIP	2012 2013	$22,700 $240,400	$0 $0	see note 3.1 above
Antwerp Ave., Nadeau to 82nd, Approximately 1,100 LF of 8-inch DIP	2012 2013	$38,300 $407,400	$0 $0	see note 3.1 above
Parmelee Ave., Nadeau to 81st, Approximately 600 LF of 8-inch DIP	2012 2013	$20,700 $219,000	$0 $0	see note 3.1 above
Lou Dillon Ave., Nadeau to 83rd, Approximately 1,700 LF of 8-inch DIP	2013 2014	$56,600 $611,800	$0 $0	see note 3.1 above
Marbrisa Ave., Nadeau to Short, Approximately 1,200 LF of 8-inch DIP	2013 2014	$36,700 $397,500	$0 $0	see note 3.1 above
Alley e/o Marbrisa Ave., Nadeau to Short, Approximately 1,200 LF of 8-inch DIP	2013 2014	$38,600 $417,500	$0 $0	see note 3.1 above
89th St., e/o Miner, Approximately 300 LF of 6-inch DIP (Design)	2014	$10,600	$0	see note 3.1 above
Orange Ave., Century Plant to Treves, Approximately 600 LF of 8-inch DIP (Construction)	2012	$192,600	$0	see note 3.1 above
Merkel Ave., N. Somerset to McKinley, Approximately 800 LF of 8-inch DIP	2012 2013	$28,500 $303,900	$0 $0	see note 3.1 above
131st St., Wilmington to Grandee, Approximately 1,200 LF of 8-inch DIP (Construction)	2012	$425,000	$0	see note 3.1 above
Mona Blvd., Weber to 130th, Approximately 2,200 LF of 8-inch DIP	2013 2014	$197,400 $710,500	$0 $0	see note 3.1 above
Goodyear Plant, install portable perchlorate treatment	2012 2013 2014	$542,400 $170,000 $175,000	A.L. A.L. A.L.	$523,900 $165,400 $170,500
Central Basin West, Contingency	2012 2013 2014	$122,607 $117,942 $115,359	$0 $0 $0	$28,871 $32,041 $31,241

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Central Basin West, New Business Funded by GSWC	2012 2013 2014	$1,000 $1,000 $1,000	$0 $0 $0	$0 $0 $0
Perham Plant, regrade site to improve drainage (Construction)	2012	$103,200	$0	$0
Culver City, System-wide, install SCADA	2013 2014	$45,700 $328,600	$0 $0	$28,300 $245,200
Culver City, Misc. Street Improvements	2012 2013 2014	$3,000 $3,000 $3,000	$0 $0 $0	$0 $0 $0
Tilden Ave., Venice to Washington, Approximately 1,800 LF of 8-inch DIP	2012 2013	$58,100 $617,700	$0 $0	see note 3.1 above
Playa Alley, Playa to Stevens, Approximately 700 LF of 8-inch DIP	2012 2013	$22,800 $242,800	$0 $0	see note 3.1 above
Le Bourget Ave., Culver to Farragut, Approximately 1,700 LF of 8-inch DIP	2013 2014	$55,700 $602,300	$0 $0	see note 3.1 above
Culver City, Contingency	2012 2013 2014	$63,350 $60,655 $67,714	$0 $0 $0	$16,374 $15,794 $17,348
Culver City, New Business Funded by GSWC	2012 2013 2014	$1,000 $1,000 $1,000	$0 $0 $0	$0 $0 $0
Southwest District Office, Contingency	2012 2013 2014	$6,972 $12,719 $1,620	$0 $0 $0	$1,802 $3,311 $420
Southwest District, Vehicles for Fluoridation Operators	2013	$111,592	$0	$116,123
Kornblum Plant, security fencing improvements	2012	$194,400	$0	$0
Oceangate Plant, security fencing improvements	2012	$238,700	$0	$0
Budlong Plant, security fencing improvements	2012	$144,800	$0	$0
System-wide, zone break modifications	2012	$741,700	$0	$716,600

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Southwest, Misc. Street Improvements	2012 2013 2014	$128,000 $128,000 $128,000	$0 $0 $0	$0 $0 $0
102nd St., Prarie to Yukon, Approximately 2,600 LF of 8-inch DIP (Construction)	2012	$791,400	$0	see note 3.1 above
Broadway, 121st to 130th, Approximately 3,200 LF of 8-inch DIP	2012	$1,751,400	$0	see note 3.1 above
Vermont Ave., 120th to 117th, Approximately 1,800 LF of 12-inch DIP	2012	$1,204,700	$0	see note 3.1 above
Vermont Ave., 141st to 135th, Approximately 2,300 LF of 12-inch DIP	2012	$1,057,600	$0	see note 3.1 above
Yukon Ave., 108th to Imperial, Approximately 4,000 LF of 12-inch DIP	2012 2013	$453,900 $1,608,900	$0 $0	see note 3.1 above
117th St., Yukon to Frontage, Approximately 1,700 LF of 8-inch DIP	2012 2013	$280,400 $993,500	$0 $0	see note 3.1 above
Alley w/o Vermont Ave., 96th to Century, Approximately 1,200 LF of 8-inch DIP	2013 2014	$45,800 $494,500	$0 $0	see note 3.1 above
Alley s/o Manchester Blvd., Normandie to Alley w/o Vermont, Approximately 2,300 LF of 8-inch DIP	2013 2014	$205,100 $738,300	$0 $0	see note 3.1 above
89th St., Normandie to Alley w/o Vermont, Approximately 2,200 LF of 8-inch DIP	2013 2014	$224,900 $809,800	$0 $0	see note 3.1 above
90th St., Normandie to Budlong, Approximately 1,300 LF of 8-inch DIP	2013 2014	$42,800 $463,700	$0 $0	see note 3.1 above
91st St., Normandie to Budlong, Approximately 1,300 LF of 8-inch DIP	2013 2014	$43,200 $467,300	$0 $0	see note 3.1 above
Century Blvd., La Cieniga to Yukon, Approximately 10,700 LF of 12-inch DIP	2013 2014	$1,167,600 $4,207,800	$0 $0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Truro Plant, destroy Well #4	2014	$55,300	$0	$53,700
Southwest, Contingency	2012 2013 2014	$398,086 $292,169 $315,521	$0 $0 $0	$102,884 $76,024 $81,614
Southwest, New Business Funded by GSWC	2012 2013 2014	$2,000 $2,000 $2,000	$0 $0 $0	$0 $0 $0
Region 2 Subtotal		**$46,974,584**	**$0**	**$6,187,355**
Region 3				
Orange County District, Contingency	2012 2013 2014	$10,074 $7,370 $6,051	$0 $0 $0	$2,607 $1,917 $1,577
Simone Well #1, Santa Paula Well #1, Lowell Well #1 - Destroy Wells (Construction)	2013	$62,000	$0	$61,600
Los Alamitos, Misc. Street Improvements	2012 2013 2014	$125,000 $125,000 $125,000	$0 $0 $0	$0 $0 $0
Central Ave., Date to Beach, Approximately 1,900 LF of 8-inch DIP	2012 2013	$51,900 $551,700	$0 $0	see note 3.1 above
Los Alamitos, Contingency	2012 2013 2014	$110,705 $70,970 $78,528	$0 $0 $0	$28,614 $18,465 $20,308
Los Alamitos, New Business Funded by GSWC	2012 2013 2014	$11,000 $11,000 $11,000	$0 $0 $0	$0 $0 $0
Peacock Hill Plant, replace booster station, bypass, and generator	2012 2013	$585,100 $1,382,500	$0 $0	$352,800 $1,373,300
SCADA	2013 2014	$40,500 $292,100	$0 $0	$25,200 $218,000
Peacock Hill Reservoir, analysis and structural upgrades	2013 2014	$551,600 $1,324,800	$0 $0	$334,800 $1,318,100

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Reservoir - Construct two 1.5 MG Reservoirs in North Pressure Zone	2013	$602,200	$0	see paragraph 3.8 above
	2014	$4,340,100	$0	
Ballad Plant - Raze Site	2012	$29,300	$0	$0
Placentia, Misc. Street Improvements	2012	$150,000	$0	$0
	2013	$150,000	$0	$0
	2014	$150,000	$0	$0
Cowan Heights Dr., Clearview to n/o Overhill, Approximately 1,200 LF of 8-inch DIP	2012	$25,700	$0	see note 3.1 above
	2013	$273,400	$0	
Ruby Dr., Placentia to Diamond, Approximately 1,700 LF of 12-inch DIP (Construction)	2012	$563,100	$0	see note 3.1 above
Placentia, Contingency	2012	$89,081	$0	$23,021
	2013	$79,171	$0	$20,596
	2014	$67,823	$0	$17,519
Placentia, New Business Funded by GSWC	2012	$1,000	$0	$0
	2013	$1,000	$0	$0
	2014	$1,000	$0	$0
Foothill District, Contingency	2012	$9,023	$0	$2,333
	2013	$9,257	$0	$2,407
	2014	$7,176	$0	$1,871
Margarita Well #2 - Drill and Equip Replacement Well	2013	$447,600	$0	see paragraph 3.8 above
	2014	$1,612,900	$0	
Claremont, Misc. Street Improvements	2012	$12,000	$0	$0
	2013	$12,000	$0	$0
	2014	$12,000	$0	$0
Arrow Hwy., Claremont to Felipe, Approximately 2,900 LF of 8-inch DIP (Construction)	2012	$643,700	$0	see note 3.1 above
Yale Ave., 1st to 7th, Approximately 2,300 LF of 8-inch DIP	2013	$186,400	$0	see note 3.1 above
	2014	$671,100	$0	

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Easement w/o Padua Ave. to Pomello Plant, Approximately 900 LF of 8-inch DIP (Design)	2014	$19,000	$0	see note 3.1 above
Claremont, Contingency	2012 2013 2014	$78,398 $78,002 $72,921	$0 $0 $0	$20,265 $20,297 $18,765
Claremont, New Business Funded by GSWC	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0
Destroy Columbia Well #8	2012	$23,100	$0	$22,300
Columbia Plant - Drainage Improvements	2013 2014	$41,600 $300,100	$0 $0	$0 $0
San Dimas, Misc. Street Improvements	2012 2013 2014	$68,000 $68,000 $68,000	$0 $0 $0	$0 $0 $0
Woodland Oak Dr., w/o San Dimas, Approximately 2,700 LF of 8-inch DIP (Construction)	2012	$790,000	$0	see note 3.1 above
Allen Ave., Amelia to San Dimas, Approximately 3,900 LF of 12-inch DIP	2012 2013	$360,000 $1,276,300	$0 $0	see note 3.1 above
Mangrove Ave., Covina to Cienega, Approximately 1,500 LF of 8-inch DIP	2013 2014	$34,600 $373,300	$0 $0	see note 3.1 above
Baseline #3 and Artesia #3 Transmission Main, Approximately 1,100 LF of 12-inch DIP	2013 2014	$26,500 $286,500	$0 $0	see note 3.1 above
Cypress St., Dumaine to Canterbury, Approximately 1,200 LF of 12-inch DIP, 1,500 LF of 8-inch DIP, and 2,000 LF of 6-inch DIP (Design)	2014	$324,900	$0	see note 3.1 above
Palomares Ave., San Dimas Canyon to Walker, Approximately 700 LF of 12-inch DIP (Design)	2014	$23,500	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Benbow St. and Benwood St., Sunflower to Garsden, Approximately 2,200 LF of 8-inch DIP (Design)	2014	$68,400	$0	see note 3.1 above
San Dimas, Contingency	2012 2013 2014	$73,340 $74,766 $84,734	$0 $0 $0	$18,951 $19,459 $17,821
San Dimas, New Business Funded by GSWC	2012 2013 2014	$17,000 $17,000 $17,000	$0 $0 $0	$0 $0 $0
San Gabriel, Misc. Street Improvements	2012 2013 2014	$125,000 $125,000 $125,000	$0 $0 $0	$0 $0 $0
Emery St., Haverly St., and Fieldcrest St., Halifax to Esto, Approximately 2,400 LF of 8-inch DIP	2012 2013	$56,100 $596,300	$0 $0	see note 3.1 above
Isabel Ave., s/o Emerson, Approximately 900 LF of 8-inch DIP (Construction)	2012	$217,700	$0	see note 3.1 above
Brighton Ave., Garvey to Garvalia, Approximately 2,200 LF of 8-inch DIP (Construction)	2012	$496,900	$0	see note 3.1 above
Jackson Ave., Emerson to Hellman, Approximately 1,400 LF of 8-inch DIP	2012 2013	$30,700 $326,400	$0	see note 3.1 above
Kelburn Ave. and Falling Leaf Ave., Graves to La Merced, Approximately 1,700 LF of 8-inch DIP	2012 2013	$39,300 $418,700	$0	see note 3.1 above
New Ave., Hellman to Whitmore, Approximately 2,300 LF of 8-inch DIP	2013 2014	$47,100 $509,400	$0 $0	see note 3.1 above
San Gabriel, Contingency	2012 2013 2014	$64,641 $59,108 $57,160	$0 $0 $0	$16,703 $15,374 $14,657
San Gabriel, New Business Funded by GSWC	2012 2013 2014	$7,000 $7,000 $7,000	$0 $0 $0	$0 $0 $0

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Mountain Desert District, Contingency	2012 2013 2014	$1,606 $2,721 $5,742	$0 $0 $0	$416 $706 $1,497
Bear Valley - Phase II Reservoir	2012	$1,632,100	$0	see paragraph 3.8 above
Irwin Reservoir, construct reservoir and pipeline	2012 2013	$1,235,400 $2,918,600	$0 $0	see paragraph 3.8 above
Linda Vista Booster Station	2012 2013	$333,600 $788,400	$0 $0	see paragraph 3.8 above
New Beryl Reservoir, construct reservoir	2012 2013	$437,900 $1,034,900	$0 $0	see paragraph 3.8 above
Agarita Boosters, booster pump and pipelines	2013 2014	$450,300 $1,082,100	$0 $0	see paragraph 3.8 above
Basalt Reservoir, demo existing reservoir	2014	$45,100	$0	see paragraph 3.8 above
Beryl Reservoir, demo existing reservoir	2014	$50,800	$0	see paragraph 3.8 above
Barstow, Misc. Street Improvements	2012 2013 2014	$146,000 $146,000 $146,000	$0 $0 $0	$0 $0 $0
First Ave., Cottage to Crooks, Approximately 1,400 LF of 18-inch DIP	2012	$1,554,800	$0	see note 3.1 above
A Ave., Nancy to s/o Linda, Approximately 2,200 LF of 8-inch PVC	2012	$417,300	$0	see note 3.1 above
W. Fredricks St., May to Seventh, Approximately 4,200 LF of 8-inch PVC	2012	$1,033,300	$0	see note 3.1 above
Williams St., W. Fredricks to Seventh, Approximately 3,600 LF of 8-inch PVC	2012	$835,600	$0	see note 3.1 above
First Ave., Main to Mountain View, Approximately 2,200 LF of 8-inch PVC	2012 2013	$37,100 $393,300	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Second Ave., Main to Mountain View, Approximately 2,200 LF of 8-inch PVC	2012 2013	$34,900 $371,800	$0	see note 3.1 above
Fifth Ave., Clark to White, Approximately 500 LF of 8-inch PVC	2013 2014	$9,300 $101,200	$0	see note 3.1 above
Sixth Ave., Main to Pioneer, Approximately 1,500 LF of 8-inch PVC	2013 2014	$24,700 $267,000	$0	see note 3.1 above
Seventh Ave., Buena Vista to Pioneer, Approximately 400 LF of 8-inch PVC	2013 2014	$8,200 $88,900	$0	see note 3.1 above
Lillian Dr., Williams to Virginia, Approximately 3,600 LF of 8-inch PVC	2013 2014	$195,800 $705,400	$0	see note 3.1 above
Navajo St., Lillian to Roberta, Approximately 3,100 LF of 8-inch PVC	2013 2014	$53,400 $576,300	$0	see note 3.1 above
Carson St., Lillian to Muriel, Approximately 900 LF of 8-inch PVC (Design)	2014	$17,100	$0	see note 3.1 above
Buena Vista St., Sixth to Seventh, Approximately 500 LF of 8-inch PVC (Design)	2014	$10,500	$0	see note 3.1 above
Barstow, Contingency	2012 2013 2014	$86,835 $85,177 $94,523	$0 $0 $0	$22,443 $22,161 $24,281
Barstow, New Business Funded by GSWC	2012 2013 2014	$29,000 $29,000 $29,000	$0 $0 $0	$0 $0 $0
Calipatria Misc. Street Improvements	2012 2013 2014	$2,300 $2,300 $2,300	$0 $0 $0	$0 $0 $0
Holabird - GAC Treatment	2012 2013	$82,000 $581,200	A.L. A.L.	$0 $610,000
Calipatria, Contingency	2012 2013 2014	$12,294 $10,682 $16,644	$0 $0 $0	$3,179 $2,778 $4,081

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Calipatria, New Business Funded by GSWC	2012 2013 2014	$3,000 $3,000 $3,000	$0 $0 $0	$0 $0 $0
Morongo Del Norte, SCADA	2013	$121,600	$0	$88,700
Morongo Del Sur, SCADA	2012 2013	$25,100 $177,200	$0 $0	$15,400 $132,000
Knobb Ave. Zone Realignment	2012 2013	$71,300 $505,800	$0 $0	$0 $0
Morongo Valley, Misc. Street Improvements	2012 2013 2014	$2,300 $2,300 $2,300	$0 $0 $0	$0 $0 $0
Juniper Ave., Tamarisk to Paradise, 1,100 LF of 8-inch PVC	2013 2014	$31,100 $336,500	$0	see note 3.1 above
Cholla Ave., north of Park, 700 LF of 8-inch PVC (Design)	2014	$13,000	$0	see note 3.1 above
Morongo Valley, Contingency	2012 2013 2014	$11,504 $6,376 $8,941	$0 $0 $0	$2,974 $1,656 $2,083
Purchase Land for Desert View Reservoir	2013	$70,500	$0	$0
Valley Crest Reservoirs	2012	$1,635,100	$0	see paragraph 3.8 above
Apple Valley North, SCADA	2014	$166,700	$0	$121,900
Construct Desert View Reservoir	2013 2014	$102,500 $738,700	$0 $0	$0 $0
Lucerne Valley, SCADA	2012	$118,800	$0	$86,000
Apple Valley, Misc. Street Improvements	2012 2013 2014	$2,300 $2,300 $2,300	$0 $0 $0	$0 $0 $0
Rambling Rd., Verde to Valencia, Approximately 600 LF of 8-inch PVC (Design)	2014	$11,000	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Custer Ave., Sutter to Laramie, Approximately 1,400 LF of 8-inch PVC (Construction)	2012	$195,100	$0	see note 3.1 above
Apple Valley, Contingency	2012 2013 2014	$29,418 $36,866 $36,688	$0 $0 $0	$7,607 $9,592 $9,387
Apple Valley, New Business Funded by GSWC	2012 2013 2014	$5,000 $5,000 $5,000	$0 $0 $0	$0 $0 $0
Wrightwood, SCADA	2014	$375,200	$0	$274,100
Wrightwood, Misc. Street Improvements	2012 2013 2014	$2,300 $2,300 $2,300	$0 $0 $0	$0 $0 $0
Shamrock Dr., Mountain View to Lark, Approximately 1,400 LF of 8-inch PVC	2012	$519,800	$0	see note 3.1 above
State Hwy. 2, w/o Rivera to Pine, Approximately 3,000 LF of 8-inch PVC	2012 2013	$40,500 $431,200	$0	see note 3.1 above
Rivera Dr., State Hwy. 2 to Apple Vista, Approximately 2,100 LF of 8-inch PVC	2012 2013	$36,100 $383,700	$0	see note 3.1 above
Desert View Dr., Lone Pine Canyon to Heathcreek, Approximately 900 LF of 8-inch PVC	2013 2014	$26,100 $281,400	$0	see note 3.1 above
Twin Lakes Dr., Lone Pine Canyon to Oak, Approximately 1,300 LF of 8-inch PVC	2013 2014	$38,100 $411,400	$0	see note 3.1 above
Helen St., Cedar to Walnut, Approximately 2,100 LF of 8-inch PVC (Design)	2014	$42,500	$0	see note 3.1 above
East Canyon Dr., Lone Pine Canyon to Orchard, Approximately 1,000 LF of 8-inch PVC (Design)	2014	$16,800	$0	see note 3.1 above

Table 3.7 Projects Disputed by DRA				
	Year	GSWC	DRA	Settlement
Wrightwood, Contingency	2012	$8,114	$0	$2,095
	2013	$7,970	$0	$2,075
	2014	$9,114	$0	$2,143
Region 3 Subtotal		**$49,054,314**	**$0**	**$5,458,881**
Total Regions 1, 2 & 3		**$111,007,442**	**$0**	**$15,391,737**

3.10 Advice Letter Projects –

As set forth in Section 3.5 above, the Parties agree that GSWC is authorized to file advice letters seeking authorization to include in rate base, upon completion, the actual costs of the plant additions but capped at the amount set forth below and to receive a corresponding rate adjustment for the additional rate base. Second, the Parties agree to request that the final decision contain an ordering paragraph authorizing each and every advice letter project contained herein. Third, it was agreed upon that the final cost for these advice letter projects should reflect the actual costs of the plant additions and will include the overhead not to exceed the agreed upon overhead rate of 22%. However, the final costs of the AL projects shall not exceed the capped amount as stated below:

GSWC's Request and DRA's Position:

Bissell Well – GSWC requested to include in rate base funding to abandon the Bissell Well #1 and to construct the Bissell Well #3 in Region 2 (Central Basin West). DRA recommended that this project should only be included in rates after the project is completed and used and useful. This project will be partially subsidized by Proposition 50 funding. DRA recommended that this project should only be included in rates after the project is completed and the amount of Proposition 50 funding is known.

Resolution:

After discussions between the Parties agreed that once the project has

been completed and is used and useful GSWC may file an Advice Letter to include in ratebase $3,986,562 less all Proposition 50 funding received by GSWC for this project.

Dace Well –

GSWC's Request and DRA's Position:

GSWC requested to include in rate base funding to drill and equip the Dace Well, construct a chemical building, and abandon existing well at the Dace Plant in Region 2 (Central Basin East). DRA recommended that this project should be included in rates only after the project is completed and used and useful.

Resolution:

After discussions the Parties agreed that once the project has been completed and is used and useful GSWC may file an Advice Letter capped at $2,300,000.

Wilson Well –

GSWC's Request and DRA's Position:

GSWC requested approval to include in rate base funding to drill and equip the Wilson Well in Region 3 (Placentia). DRA did not oppose this request. During discussions between the Parties, DRA expressed concerns regarding the timing of the construction of this well.

Resolution:

After settlement discussions, the Parties agreed that once the project has been completed and is used and useful GSWC may file an Advice Letter capped at $2,206,831.

3.11 Depreciation Accrual Rates –

GSWC's Request and DRA's Position:

GSWC and DRA utilized the same methodology and depreciation accrual

rates to forecast plant depreciation. DRA agreed with GSWC's composite depreciation rates for each of the individual operating areas (identified below).

Resolution:

In settlement, as part of the resolution of GSWC's proposed capital budgets for Regions 1, 2 and 3, the parties agreed to reduce the composite depreciation accrual rates in the operating areas in order to reduce the depreciation expense by $500,000 – an amount equal to the revenue requirement of $2.5 Million in capital additions. The composite depreciation rates agreed to by the parties that achieve the agreed reduction in depreciation expense are as follows:

Table 3.8
Depreciation Accrual Rates

Operating Area	GSWC	DRA	Settlement
Northern District Office	0.57%	0.57%	0.57%
Coastal District Office	8.75%	8.75%	8.75%
Arden Cordova	3.14%	3.14%	3.10%
Bay Point	2.72%	2.72%	2.66%
Clearlake	2.77%	2.77%	2.72%
Los Osos	3.67%	3.67%	3.63%
Ojai	3.59%	3.59%	3.53%
Santa Maria	3.25%	3.25%	3.19%
Simi Valley	2.73%	2.73%	2.68%
Central District Office	3.32%	3.32%	3.32%
Southwest District Office	3.32%	3.32%	3.32%
Region 2 (CSAs)	3.32%	3.32%	3.27%
Foothill District Office	3.34%	3.34%	3.34%
Mountain/Desert District Office	3.34%	3.34%	3.34%
Orange County District Office	3.34%	3.34%	3.34%
Region 3 (CSAs)	3.34%	3.34%	3.29%

GSWC agrees to maintain the revised composite depreciation rates for this rate-case cycle and the next rate-case cycle.

3.12 Out of Service Assets –

GSWC's Request and DRA's Position:

During its discovery DRA determined that there were assets included in GSWC's forecasted rate base that were no longer in service. It also identified vacant land that DRA believed should be removed from utility plant in service.

Resolution:

In settlement discussions the Parties agreed to retire the identified depreciable assets that are out of service in accordance with the Uniform System of Accounts. The Parties also agreed to transfer the identified vacant land from Utility Plant in Service to Non-Operating Plant. The adjustments to ratebase in 2012 shall be as follows:

Table 3.9
Out of Service Assets

	Retirement of Depreciable Assets		Transfer of Non-Depreciable Assets
Operating Area	Retirement to Utility Plant in Service	Retirement to Depreciation Reserve	Adjustment to Utility Plant in Service
Arden Cordova	$854,248	$854,248	$133,997
Bay Point	$1,350,921	$1,350,921	$0
Clearlake	$0	$0	$0
Los Osos	$297,356	$297,356	$0
Ojai	$0	$0	$0
Santa Maria	$376,224	$376,224	$3,031
Simi Valley	$17,432	$17,432	$5,080
Region 1 Subtotal	**$2,896,181**	**$2,896,181**	**$142,108**

Table 3.9 Out of Service Assets			
	Retirement of Depreciable Assets		Transfer of Non-Depreciable Assets
Operating Area	Retirement to Utility Plant in Service	Retirement to Depreciation Reserve	Adjustment to Utility Plant in Service
Region 2	$6,517,619	$6,517,619	$30,213
Region 3	$3,450,391	$3,450,391	$714,050
Total Regions 1, 2 & 3	**$12,864,191**	**$12,864,191**	**$886,371**

3.13 Adjustments to Rate Base in Response to D.11-12-034 – GSWC's Request and DRA's Position:

DRA recommended that the findings from Decision D.11-12-034 be incorporated in the final decision for this proceeding. GSWC agrees with this recommendation. D.11-12-034, which was issued after GSWC filed its application in this proceeding, found that certain assets should be removed from GSWC's rate base. The net adjustment to rate base in D.11-12-034 is $2.5 million.

Resolution:

The Parties agreed that the following adjustments shall be made to rate base. These adjustments are consistent with Advice Letters 1473-W, 1474-W, 1475-W, 1476-W, 1477-W, 1478-W, 1479-W, 1480-W and 1482-WA, which incorporated the rate base reductions approved in D.11-12-034 into rates:

Table 3.10 Adjustments to Rate Base in Response to D.11-12-034			
Operating Area	Reduction to Utility Plant in Service	Reduction to Depreciation Reserve	Net Reduction to Rate Base
Arden Cordova	$2,152,327	$910,867	$1,241,460
Bay Point	$592,882	$293,295	$299,587
Clearlake	$405,769	$139,085	$266,684
Los Osos	$29,100	$11,259	$17,841
Ojai	$450,872	$200,221	$250,651
Santa Maria	$158,560	$60,295	$98,265
Simi Valley	$422,494	$155,037	$267,457
Region 1 Subtotal	**$4,212,004**	**$1,770,059**	**$2,441,945**
Region 3	$66,394	$8,339	$58,055
Total Regions 1 & 3	**$4,278,398**	**$1,778,398**	**$2,500,000**

3.14 Working Cash Revenue Lag Days. GSWC's Request and DRA's

GSWC's Request and DRA's Position:

Although GSWC and DRA disagreed on adjusting working cash lag days for the 2010 Water Revenue Adjustment Mechanism ("WRAM") balancing account net of the Modified Cost Balancing Account ("MCBA"), both parties agreed not to litigate the issue in this proceeding and settled on the following lag days.

The Parties also agreed to adjust the working cash lag days for the following Customer Service Areas that will remain on bi-monthly billing: Arden Cordova, Los Osos, Ojai, and Simi Valley in Region 1; and Orange County, Barstow, and San Gabriel in Region 3.

Resolution:

The Parties agree that the Working Cash lag days shall be adjusted as set

forth in the table below:

Table 3.11 Working Cash Lag Days			
CSA	**GSWC**	**DRA**	**Stipulated**
Arden Cordova	70.0	14.2	14.2
Bay Point	241.0	31.3	52.0
Clearlake	34.9	34.9	34.9
Los Osos	172.0	53.2	98.0
Ojai	127.0	50.5	78.0
Santa Maria	124.0	36.3	64.0
Simi Valley	100.0	48.4	59.0
Region 2	47.5	36.2	57.8
Region 3	86.7	43.2	73.6

4.0 Sales and Customers

4.1 Customers (Connections)

GSWC's Request and DRA's Position:

GSWC and DRA used the methodology prescribed in the D. 07-05-062, Rate Case Plan ("RCP") to forecast customer growth within each Customer Class. The methodology used was the five-year average increase by customer class. GSWC and DRA agreed that in areas where there is an apparent change in customer count due to a switch between customer classes, the effect of this change is taken out of the five-year average estimates.

In Arden Cordova, GSWC is switching customers from flat rate to meter billing. GSWC forecasted a flat rate to meter conversion of 436 in 2011, 5,000 in 2012, 445 per year for 2013, 2014, and 2015. DRA recommended using the most updated estimate GSWC provided in its response to DRA's Data Request AMX-002. DRA also recommended using a conversion estimate of 2,030 in 2011, 4,497 in 2012, and 313 per year for 2013, 2014 and 2015. The meter data was then normalized to

1,015, 3,263, 2,405, 313 and 313 for Years 2011 through 2015. GSWC agreed with DRA's recommendations.

Resolution:

The Parties agree that the customer count for each CSA is set forth in the tables below.

Table 4.1 Arden Cordova Forecasted Customer Count			
Arden Cordova			
Customer Class	2013	2014	2015
Residential	9,027	11,489	11,859
Residential – Flat to meter conversion	2,405	313	313
Commercial	1,059	1,061	1,063
Industrial	4	4	4
Public Authority	26	26	26
Irrigation	425	431	437
Resale	0	0	0
Reclaimed Water	0	0	0
Other	14	16	18
Flat Rate			
Residential/Commercial	2,884	2,571	2,258
Private Fire	577	585	593
Total	16,421	16,496	16,571

Table 4.2 Bay Point Forecasted Customer Count			
Bay Point			
Customer Class	2013	2014	2015
Residential	4,507	4,484	4,460
Commercial	208	212	217
Industrial	7	7	7
Public Auth.	17	17	17
Irrigation			
Resale	47	47	47
Contract	0	0	0
Other	3	3	3
Private Fire	30	30	30
Total	4,819	4,800	4,781

Table 4.3 Clearlake Forecasted Customer Count			
Clearlake			
Customer Class	2013	2014	2015
Residential	2,091	2,093	2,094
Commercial	76	78	79
Industrial	0	0	0
Public Auth.	2	2	2
Irrigation	0		
Resale	0	0	0
Contract	0	0	0
Other	0	0	0
Private Fire	4	4	4
Total	2,173	2,177	2,179

Table 4.4 Los Osos Forecasted Customer Count			
Los Osos			
Customer Class	2013	2014	2015
Residential	3,044	3,043	3,042
Commercial	159	156	153
Industrial	1	1	1
Public Auth.	8	8	8
Irrigation	35	38	41
Resale	0	0	0
Contract	0	0	0
Other	0	0	0
Private Fire	23	24	25
Total	3,270	3,270	3,270

Table 4.5 Ojai Forecasted Customer Count			
Ojai			
Customer Class	2013	2014	2015
Residential	2,493	2,496	2,499
Commercial	329	332	335
Industrial	4	4	5
Public Auth.	28	28	28
Irrigation	30	32	35
Resale	0	0	0
Contract	0	0	0
Other	0	0	0
Private Fire	38	40	41
Total	2,922	2,932	2,943

Table 4.6 Santa Maria Forecasted Customer Count			
Santa Maria			
Customer Class	2013	2014	2015
Residential	12,802	12,850	12,897
Commercial	530	527	524
Industrial	5	5	5
Public Auth.	12	12	11
Irrigation	76	85	93
Resale	0	0	0
Contract	0	0	0
Other	7	8	9
Private Fire	81	87	93
Total	13,513	13,574	13,632

Table 4.7 Simi Valley Forecasted Customer Count			
Simi Valley			
Customer Class	2013	2014	2015
Residential	12,331	12,314	12,297
Commercial	566	565	563
Industrial	32	33	34
Public Auth.	114	114	114
Irrigation	62	67	72
Resale	0	0	0
Contract	0	0	0
Other	0	0	0
Private Fire	172	176	181
Total	13,277	13,269	13,261

Table 4.8 Region 2 Forecasted Customer Count			
Region 2			
Customer Class	2013	2014	2015
Residential	72,400	72,429	72,458
Commercial	25,065	24,990	24,915
Industrial	237	237	236
Public Auth.	693	698	703
Irrigation	494	546	597
Resale	0	0	0
Contract	53	55	57
Other	13	14	16
Private Fire	2,053	2,105	2,158
Total	101,008	101,074	101,140

Table 4.9 Region 3 Forecasted Customer Count			
Region 3			
Customer Class	2013	2014	2015
Residential	87,276	87,408	87,540
Commercial	8,869	8,903	8,939
Industrial	65	67	67
Public Auth.	646	639	630
Irrigation	901	928	955
Resale	9	10	11
Contract	6	6	6
Other	71	70	67
Flat: Commercial	8	8	8
Private Fire	1,424	1,473	1,523
Total	99,275	99,512	99,746

4.2 Sales per Customer

GSWC's Request and DRA's Position:

For customer classes other than Residential and Commercial, GSWC and DRA used a five-year average methodology to forecast annual usage per customer.

With the exception of districts that currently have frozen rates (Morongo Valley and Wrightwood), both DRA and GSWC forecasted Residential and Commercial sales using the "New Committee Method" as prescribed in the Rate Case Plan. However, the New Committee Method recommended excluding drought years from regression analysis. GSWC recommended including the drought years because California is still in water conservation mode. Despite the drought declaration having been lifted, the State of California continues to operate under conservation mode as evidenced by the State's 2020 water usage reduction goals. Therefore, DRA agrees with GSWC's recommendation.

For areas where the regression analysis as prescribed by the New Committee Method resulted in an R Squared lower than 0.7, GSWC forecasted sales based on the most current end of year sales at the time of filing, which is December 2010 (12-month ended) sales. For areas with frozen rates Morongo Valley and Wrightwood, GSWC recommended using the five-year average to forecast sales. DRA agrees with GSWC's recommendation.

In Arden Cordova, GSWC recommended using a different sales forecast for customers converting from flat rate billing to a metered rate billing. GSWC used a "sample" of flat rate customers that had meters installed in 2009 and switched to metered billing in 2010. Using this sample, GSWC calculated the percentage change in usage after this group of customers converted to meter billing. GSWC found on average this group of customers reduced their usage by 12.4% compare to when they are on flat rate billing.

DRA, however, recommended using "all" customers who switched from flat rate to metered rates in 2010 to calculate the percentage change. In response to DRA's data request AMX-01, GSWC provided a calculation using all customers, which resulted in a reduction of 24.9% in usage.

GSWC agree with DRA's recommendation.

Resolution:

The Parties agree to the following forecasted annual sales per customer (Ccf/customer) for each CSA as set forth in the tables below.

Table 4.10 **Arden Cordova Forecasted Annual Sales per Customer**			
Arden Cordova	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	202.4	202.6	202.4
Residential – Flat to meter conversion	379.9	325.6	325.6
Commercial	1,713.6	1,713.6	1,713.6
Industrial	590.7	590.7	590.7
Public Authority	6,676.4	6,676.4	6,676.4
Irrigation	1,251.4	1,251.4	1,251.4
Resale	116.7	116.7	116.7
Contract	0.0	0.0	0.0
Other	516.8	516.8	516.8
Flat Rate			
Residential/Commercial	433.4	433.4	433.4
Public Authority	0	0	0
Private Fire	53.0	53.0	53.0

Table 4.11 Bay Point Forecasted Annual Sales per Customer			
Bay Point	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	103.2	103.2	103.2
Commercial	835.1	835.1	835.1
Industrial	22,933.0	22,933.0	22,933.0
Public Authority	1,657.1	1,657.1	1,657.1
Irrigation	1,105.3	1,105.3	1,105.3
Resale	0.0	0.0	0.0
Contract	0.0	0.0	0.0
Other	246.0	246.0	246.0
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	41.6	41.6	41.6

Table 4.12 Clearlake Forecasted Annual Sales per Customer			
Clearlake	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	67.5	67.5	67.5
Commercial	173.8	173.8	173.8
Industrial	0	0	0
Public Authority	0	0	0
Irrigation	0	0	0
Resale	0	0	0
Contract	0	0	0
Other	0	0	0
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	0

Table 4.13 Los Osos Forecasted Annual Sales per Customer			
Los Osos	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	99.4	99.4	99.4
Commercial	422.1	422.1	422.1
Industrial	543.5	543.5	543.5
Public Authority	2,116.9	2,116.9	2,116.9
Irrigation	229.6	229.6	229.6
Resale	0	0	0
Contract	0	0	0
Other	282.0	282.0	282.0
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	0

Table 4.14 Ojai Forecasted Annual Sales per Customer			
Ojai	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	248.4	248.4	248.4
Commercial	570.8	570.8	570.8
Industrial	204.5	204.5	204.5
Public Authority	1,287.9	1,287.9	1,287.9
Irrigation	4,109.5	4,109.5	4,109.5
Resale	0	0	0
Contract	697.1	697.1	697.1
Other	191.1	191.1	191.1
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0106.8	106.8	106.8

Table 4.15 Santa Maria Forecasted Annual Sales per Customer			
Santa Maria	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	240.7	240.7	240.7
Commercial	870.0	870.0	870.0
Industrial	72.4	72.4	72.4
Public Authority	6,146.9	6,146.9	6,146.9
Irrigation	1,892.2	1,892.2	1,892.2
Resale	0.0	0.0	0.0
Contract	0.0	0.0	0.0
Other	303.0	303.0	303.0
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	37.2	37.2	37.2

Table 4.16 Simi Valley Forecasted Annual Sales per Customer			
Simi Valley	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	175.4	175.4	175.4
Commercial	913.8	913.8	913.8
Industrial	468.9	468.9	468.9
Public Authority	2,131.5	2,131.5	2,131.5
Irrigation	1,435.8	1,435.8	1,435.8
Resale	0	0	0
Contract	0	0	0
Other	107.9	107.9	107.9
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0.7	0.7	0.7

Table 4.17 Region 2 Forecasted Annual Sales per Customer			
Region 2	Ccf/customer		
Customer Class	GSWC	DRA	Stipulated
Residential	134.4	134.4	134.4
Commercial	493.5	493.5	493.5
Industrial	1,720.6	1,720.6	1,720.6
Public Authority	1,845.5	1,845.5	1,845.5
Irrigation	920.1	920.1	920.1
Resale	2.0	2.0	2.0
Contract	9,783.4	9,783.4	9,783.4
Other	347.3	347.3	347.3
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	18.2	18.2	18.2

Table 4.18 Region 3 Forecasted Annual Sales per Customer			
Region 3	Ccf/customer for 2013		
Customer Class	GSWC	DRA	Stipulated
Residential	174.9	174.9	174.9
Commercial	889.5	889.5	889.5
Industrial	1,629.9	1,629.9	1,629.9
Public Authority	2,687.9	2687.9	2,687.9
Irrigation	1,255.7	1,255.7	1,255.7
Resale	5,195.5	5,195.5	5,195.5
Contract	123,793.8	123,793.8	123,793.8
Other	1,706.7	1,706.7	1,706.7
Flat Rate			
Commercial	0	0	0
Public Authority	0	0	0
Private Fire	40.3	40.3	40.3

Table 4.19
Sales Forecast by Ratemaking Area

Ratemaking Area	Actual	Proposed		
	2011	2013		
	(ccf)	Sales (ccf)	Change (ccf)	% Change
Arden Cordova	7,232,444	6,420,629	(811,815)	-11.22%
Bay Point	818,644	880,837	62,193	7.60%
Clearlake	149,357	154,281	4,924	3.30%
Los Osos	418,113	395,126	(22,987)	-5.50%
Ojai	736,536	965,575	229,039	31.10%
Santa Maria	3,454,060	3,765,011	310,950	9.00%
Simi Valley	2,756,366	3,027,715	271,349	9.84%
Region 2	23,939,690	24,799,387	859,697	3.59%
Region 3	25,389,109	27,095,236	1,706,127	6.72%

Ratemaking Area	Proposed					
	2014			2015		
	Sales (ccf)	Change (ccf)	% Change	Sales (ccf)	Change (ccf)	% Change
Arden Cordova	6,114,597.55	(1,117,846.47)	-15.46%	6,066,229.23	(1,166,214.79)	-16.12%
Bay Point	882,080.51	63,436.39	7.75%	884,055.70	65,411.58	7.99%
Clearlake	154,763.73	5,406.73	3.62%	155,004.99	5,647.99	3.78%
Los Osos	394,449.01	(23,663.99)	-5.66%	393,771.98	(24,341.02)	-5.82%
Ojai	978,990.82	242,454.82	32.92%	992,611.55	256,075.55	34.77%
Santa Maria	3,791,515.83	337,455.71	9.77%	3,809,741.38	355,681.26	10.30%
Simi Valley	3,031,469.64	275,103.64	9.98%	3,033,736.87	277,370.87	10.06%
Region 2	24,844,199.82	904,510.14	3.78%	24,886,737.76	947,048.08	3.96%
Region 3	27,193,535.81	1,804,426.81	7.11%	27,260,879.67	1,871,770.67	7.37%

4.3 Water Loss for Water

GSWC's Request and DRA's Position:

Water loss is the amount of water lost through operations plus unaccounted-for water. Both GSWC and DRA use the five-year average to calculate the water loss through operation plus unaccounted-for water. The table below reflects the water loss due to both operations and unaccounted-for water.

Resolution:

The Parties agree that the estimated water loss due to both operations and unaccounted-for water is set forth in the table below.

Table 4.20
Estimated Water Loss for Regions 1, 2 and 3

CSA	GSWC	DRA	Stipulated
Arden Cordova	2.53%	2.53%	2.53%
Bay Point	12.44%	12.44%	12.44%
Clearlake	34.74%	34.74%	34.74%
Los Osos	9.52%	9.52%	9.52%
Ojai	12.80%	12.80%	12.80%
Santa Maria	9.76%	9.76%	9.76%
Simi Valley	5.54%	5.54%	5.54%
Region 2	7.65%	7.65%	7.65%
Region 3	8.36%	8.36%	8.36%

5.0 Labor

5.1 Regions 1, 2 & 3 Labor

GSWC's Request and DRA's Position:

GSWC's Region 1, 2, and 3 forecasts for total labor were based on its 2011 organizational structure of 339 positions and actual annual salaries. Within the 2011 organizational structure, GSWC requested the following: Seven administrative and accounting positions and four additional Water Loss positions to be moved to the Regions from the General Office; an Operations Engineer position for the Central District; a transfer of Water

Quality Technician 3 from its Orange County District (Region 3) to the Environmental Quality Department (in the General Office) as an Environmental Specialist; and six Water Supply Operators to perform the First 5 fluoridation program in Region 2. GSWC used twelve month recorded ratios of expense to capital labor. GSWC then added to this base inflation, overtime, merit (equity) increases, stand-by and call-out pay, and then adjusted for vacancies to derive the forecast for the Test Year. Instead of removing vacant positions, GSWC applied an average vacancy factor to its labor analysis.

Although DRA agreed that a vacancy adjustment should be applied, DRA did not agree with GSWC's methodology. DRA also did not agree with GSWC's request for a 1% merit increase. The Parties, however, agreed to not litigate this issue in this proceeding, and have agreed to the labor costs set forth below.

Resolution:

GSWC will have the discretion to hire the proposed positions they find the highest priority within the settled dollar amounts. The Parties agree to the labor expenses for each CSA and District Office as set forth in the table below.

Table 5.1 **Region 1 – 2013 Labor Expenses**			
Northern District Office	GSWC	DRA	Stipulation
Operations Labor	$4	$2	$4
Maintenance Labor	$0	$0	$0
A&G Labor	$473,430	$298,463	$473,430
Total Labor Expense	**$473,434**	**$298,466**	**$473,434**
Coastal District Office	GSWC	DRA	Stipulation
Operations Labor	$13,519	$9,900	$13,519
Maintenance Labor	$1,417	$1,038	$1,417
A&G Labor	$511,028	$374,252	$511,028
Total Labor Expense	**$525,964**	**$385,190**	**$525,964**

Table 5.1 Region 1 – 2013 Labor Expenses			
Arden Cordova CSA	GSWC	DRA	Stipulation
Operations Labor	$684,894	$652,861	$656,390
Maintenance Labor	$139,474	$132,951	$133,670
A&G Labor	$85,632	$81,627	$82,068
Total Labor Expense	**$910,001**	**$867,439**	**$872,127**
Bay Point CSA	GSWC	DRA	Stipulation
Operations Labor	$284,311	$276,634	$284,188
Maintenance Labor	$40,571	$39,475	$40,553
A&G Labor	$18,435	$17,938	$18,427
Total Labor Expense	**$343,317**	**$334,047**	**$343,168**
Clearlake CSA	GSWC	DRA	Stipulation
Operations Labor	$301,160	$285,043	$297,933
Maintenance Labor	$57,308	$54,241	$56,694
A&G Labor	$20,669	$19,563	$20,447
Total Labor Expense	**$379,137**	**$358,847**	**$375,075**
Los Osos CSA	GSWC	DRA	Stipulation
Operations Labor	$320,881	$272,708	$320,168
Maintenance Labor	$57,945	$49,246	$57,816
A&G Labor	$45,796	$38,920	$45,694
Total Labor Expense	**$424,621**	**$360,874**	**$423,678**
Ojai CSA	GSWC	DRA	Stipulation
Operations Labor	$341,048	$321,332	$337,611
Maintenance Labor	$108,349	$102,085	$107,257
A&G Labor	$53,975	$50,854	$53,431
Total Labor Expense	**$503,372**	**$474,271**	**$498,298**
Santa Maria CSA	GSWC	DRA	Stipulation
Operations Labor	$622,328	$562,826	$595,752
Maintenance Labor	$172,556	$156,058	$165,187
A&G Labor	$66,025	$59,712	$63,205
Total Labor Expense	**$860,908**	**$778,596**	**$824,144**

Table 5.1 Region 1 – 2013 Labor Expenses			
Simi Valley CSA	GSWC	DRA	Stipulation
Operations Labor	$319,039	$305,460	$319,039
Maintenance Labor	$91,916	$88,003	$91,916
A&G Labor	$77,061	$73,781	$77,061
Total Labor Expense	**$488,015**	**$467,244**	**$488,015**
Region 1 - Total Labor	**$4,908,770**	**$4,324,974**	**$4,823,903**

Table 5.2 Region 2 – 2013 Labor Expenses*			
Central District Office	GSWC	DRA	Stipulation
Operations Labor	$64,301	$49,413	$60,120
Maintenance Labor	$49,106	$37,750	$45,912
A&G Labor	$784,759	$602,965	$733,726
Total Labor Expense	**$898,166**	**$690,128**	**$839,758**
Southwest District Office	GSWC	DRA	Stipulation
Operations Labor	$106,898	$90,496	$102,700
Maintenance Labor	$16,673	$14,140	$16,018
A&G Labor	$804,684	$680,994	$773,080
Total Labor Expense	**$928,255**	**$785,630**	**$891,798**
Region 2 RMA	GSWC	DRA	Stipulation
Operations Labor	$3,274,135	$3,200,899	$3,247,248
Maintenance Labor	$1,050,391	$1,026,964	$1,041,765
A&G Labor	$899,390	$879,379	$892,005
Total Labor Expense	**$5,223,915**	**$5,107,241**	**$5,181,018**
Region 2 - Total Labor	**$7,050,336**	**$6,583,000**	**$6,912,573**

*Includes labor due to participation in the First 5 LA OHCD Project.

Table 5.3 Region 3 – 2013 Labor Expenses			
Orange County District Office	GSWC	DRA	Stipulation
Operations Labor	$76,510	$74,469	$75,562
Maintenance Labor	$38,634	$37,603	$38,155
A&G Labor	$702,035	$683,304	$693,330
Total Labor Expense	**$817,179**	**$795,376**	**$807,047**
Foothill District Office	GSWC	DRA	Stipulation
Operations Labor	$427,178	$415,800	$421,890
Maintenance Labor	$13,188	$12,837	$13,025
A&G Labor	$581,963	$566,462	$574,758
Total Labor Expense	**$1,022,329**	**$995,100**	**$1,009,673**
Mountain Desert District Office	GSWC	DRA	Stipulation
Operations Labor	$38,939	$37,900	$38,456
Maintenance Labor	$11,828	$11,512	$11,681
A&G Labor	$441,309	$429,536	$435,838
Total Labor Expense	**$492,075**	**$478,948**	**$485,975**
Region 3 CSAs	GSWC	DRA	Stipulation
Operations Labor	$4,067,036	$3,962,314	$4,018,159
Maintenance Labor	$1,844,382	$1,796,891	$1,822,216
A&G Labor	$1,057,767	$1,030,531	$1,045,055
Total Labor Expense	**$6,969,185**	**$6,789,735**	**$6,885,429**
Region 3 - Total Labor	**$9,300,769**	**$9,059,158**	**$9,188,124**

6.0 Administrative and General Expenses

6.1 Office Supplies

GSWC's Request and DRA's Position:

To forecast Office Supplies, GSWC used various inflation adjusted methodologies: the five-year average was used in Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley, Northern and Coastal District

Offices, Region 3 CSA, and the Mountain Desert District Office; the latest recorded data was used in Arden Cordova, and the Southwest, Foothill and Orange County District Offices; the five-year average less $15,700 for the closure of the Torrance Office was used in the Region 2 CSA; the Central District Office used a five year trend.

The differences in GSWC and DRA's forecast in Clearlake, Los Osos, Ojai, Simi Valley, Region 3 CSA and the Mountain Desert District Office was due to the application of customer growth to develop the forecast. In the Central, Southwest, Foothill and Orange County District Offices DRA used the five-year average. In Arden Cordova and Santa Maria, in addition to using the five-year average and the application of customer growth DRA made adjustments for non-reoccurring items.

DRA agrees to GSWC's estimates in Bay Point, Northern and Coastal District Offices and the Region 2 CSA.

Resolution:

The Parties agree to the estimates for Office Supplies in 2013 as set forth below.

Table 6.1
Office Supplies Expense

Office Supplies	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	58,300	51,400	54,800
Bay Point	55,000	55,000	55,000
Clearlake	53,400	53,000	53,000
Los Osos	48,400	48,200	48,200
Ojai	55,500	54,900	55,200
Santa Maria	104,700	99,900	100,000
Simi Valley	37,700	37,800	37,800
Northern Dist.	23,800	23,800	23,800
Coastal Dist.	33,100	33,100	33,100
Region 1 Subtotal	**469,900**	**457,100**	**460,900**

Office Supplies	2013 ($)		
CSA	GSWC	DRA	Stipulated
Region 2	321,000	321,000	321,000
Central Dist.	244,800	153,000	198,900
Southwest Dist.	174,900	151,300	163,100
Region 2 Subtotal	**740,700**	**625,300**	**683,000**
Region 3	652,800	647,700	650,200
Foothill Dist.	106,600	82,500	94,600
Mountain/Desert Dist.	82,500	81,800	82,400
Orange County Dist.	101,000	96,700	99,000
Region 3 Subtotal	**942,900**	**908,700**	**926,200**
Total Regions 1, 2 & 3	**2,153,500**	**1,991,100**	**2,070,100**

6.2 Property Insurance

See General Office Section 13.

6.3 Injuries and Damages

GSWC's Request and DRA's Position:

Injuries and Damages are forecasted at the General Office ("GO") and then allocated to the CSAs and District Offices. The detailed information and description of the parties' positions regarding the forecast is presented in the General Office Revenues and Expenses Section 13. The amount to be allocated to the CSAs and District Offices is shown below.

Resolution:

The Parties agree to the estimates for Injuries and Damages in 2013 for each CSA as set forth in the following table:

Table 6.2 Injuries and Damages Expense			
Injuries and Damages	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	70,100	66,800	61,600
Bay Point	34,800	33,000	30,500
Clearlake	27,200	25,900	23,900
Los Osos	28,600	27,200	25,100
Ojai	38,500	36,600	33,800
Santa Maria	69,300	64,500	59,600
Simi Valley	42,600	40,500	37,400
Northern Dist.	17,400	16,500	15,300
Coastal Dist.	20,900	19,900	18,400
Region 1 Subtotal	**349,400**	**330,900**	**305,600**
Region 2	411,300	389,400	359,500
Central Dist.	39,700	37,800	34,500
Southwest Dist.	31,900	30,400	28,000
Region 2 Subtotal	**482,900**	**457,600**	**422,000**
Region 3	623,700	594,000	544,100
Foothill Dist.	27,600	26,200	24,200
Mountain/Desert Dist.	19,200	18,300	16,900
Orange County Dist.	30,700	29,300	27,000
Region 3 Subtotal	**701,200**	**667,800**	**612,200**
Total Regions 1,2 & 3	**1,533,500**	**1,456,300**	**1,339,800**

6.4 Pensions and Benefits

GSWC's Request and DRA's Position:

Pensions and Benefits are forecasted at the General Office and then allocated to the CSAs and District Offices. The detailed information and description of the parties' positions regarding the forecast is presented in the General Office Revenues and Expenses Section 13. The amount to be allocated to the CSAs and District Offices is shown below.

Resolution:

The Parties agree to the estimates for Pension and Benefits in 2013 for each CSA as set forth below.

Table 6.3 Pension and Benefits Expense			
Pensions and Benefits	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	356,100	352,900	352,900
Bay Point	159,600	158,200	158,200
Clearlake	132,500	131,300	131,300
Los Osos	175,900	174,300	174,300
Ojai	158,400	157,000	157,000
Santa Maria	330,500	327,600	327,600
Simi Valley	205,600	203,800	203,800
Northern Dist.	197,600	180,300	186,100
Coastal Dist.	204,000	187,200	193,200
Region 1 Subtotal	**1,920,200**	**1,872,600**	**1,884,400**
Region 2*	1,850,000	1,832,800	1,910,300
Central Dist.	362,700	400,200	388,900
Southwest Dist.	368,400	377,300	352,700
Region 2 Subtotal	**2,581,100**	**2,610,300**	**2,651,900**
Region 3	2,732,500	2,704,700	2,704,700
Foothill Dist.	464,800	444,400	451,600
Mountain/Desert Dist.	196,900	179,900	186,300
Orange County Dist.	451,600	431,600	436,700
Region 3 Subtotal	**3,845,800**	**3,760,600**	**3,779,300**
Total Regions 1, 2, & 3	**8,347,100**	**8,243,500**	**8,315,600**

*Includes increase in pension and benefits due to participation in the First 5 LA OHCD Project.

6.5 Business Meals

GSWC's Request and DRA's Position:

To forecast Business Meals, GSWC used various inflation adjusted methodologies: the five-year average was used in Bay Point, Clearlake, Ojai, Santa Maria, Simi Valley, Northern and Coastal District Offices, Region 2 CSA, and the Mountain Desert District Office; the four-year average was used in Arden Cordova; the two-year average was used in Los Osos; the latest recorded data was used in the Central and Southwest

District Offices, Region 3 CSA, and the Foothill and Orange County District Offices.

The differences in GSWC and DRA's forecast in the Region 3 CSA, Central, Southwest, Foothill and Orange County District Office were due to DRA's use of a five-year average and the application of customer growth to develop the forecast.

DRA agrees to GSWC's estimates in Arden Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley, Northern and Coastal District Offices, Region 2 CSA, and the Mountain Desert District Office.

Resolution:

The Parties agree to the estimates for Business Meals in 2013 as set forth below:

Table 6.4
Business Meals Expense

Business Meals	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	1,400	1,400	1,400
Bay Point	900	900	900
Clearlake	1,200	1,200	1,200
Los Osos	900	900	900
Ojai	2,900	2,900	2,900
Santa Maria	1,600	1,600	1,600
Simi Valley	1,300	1,300	1,300
Northern Dist.	1,500	1,500	1,500
Coastal Dist.	2,200	2,200	2,200
Region 1 Subtotal	**13,900**	**13,900**	**13,900**
Region 2	7,400	7,400	7,400
Central Dist.	6,300	4,800	5,600
Southwest Dist.	7,700	5,400	6,600
Region 2 Subtotal	**21,400**	**17,600**	**19,600**
Region 3	7,000	6,200	6,600
Foothill Dist.	2,200	1,800	2,000
Mountain/Desert Dist.	2,000	2,000	2,000
Orange County Dist.	3,400	2,600	3,000

Business Meals	2013 ($)		
Region 3 Subtotal	**14,600**	**12,600**	**13,600**
Total Regions 1, 2 & 3	**49,900**	**44,100**	**47,100**

6.6 Outside Services

GSWC's Request and DRA's Position:

To forecast Outside Services expenses, GSWC used various inflation adjusted methodologies: five-year average was used in the Region 3 CSA and the Northern District Office; in Region 2 the five-year average less $4,300 due to the closure of the Torrance Office was used; the Orange County District Office used the five-year average excluding Orange County Annexation expenses; four-year average was used in Arden Cordova, Bay Point and the Coastal District Office; three-year average was used in Ojai; two-year average was used in the Southwest and Mountain Desert District Offices; the latest recorded data was used in Clearlake, Simi Valley and the Foothill District Office; Los Osos, Santa Maria and Central District Office were zero based to cover general expenses.

The difference in GSWC and DRA's forecast in Arden Cordova, Clearlake, Santa Maria, and the Orange County District Office is due to the application of customer growth to develop the forecast. In addition to the difference in the application of customer growth, DRA used the five year average in the Central, Southwest, Foothill and Mountain Desert District Offices. In the Region 3 CSAs a four-year average was used; Ojai included a correction in the computation of the three-year average; Simi Valley was based on a two-year average and adjustments for onetime expenses; in the Region 2 CSAs the difference was due to the adjustment made due for the closure of the Torrance Office.

DRA agreed to GSWC's estimates in Bay Point, Los Osos and the

Northern and Coastal District Offices.

Resolution:

The Parties agree to the estimates for Outside Services in 2013 as set forth below:

Table 6.5
Outside Services Expense

Outside Services	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	187,900	182,100	185,000
Bay Point	29,100	29,100	29,100
Clearlake	7,200	7,100	7,100
Los Osos	5,600	5,600	5,600
Ojai	15,500	14,900	14,900
Santa Maria	9,100	8,900	9,000
Simi Valley	11,800	6,000	8,900
Northern Dist.	5,700	5,700	5,700
Coastal Dist.	28,400	28,400	28,400
Region 1 Subtotal	**300,300**	**287,800**	**293,700**
Region 2	150,400	142,000	146,200
Central Dist.	60,300	58,500	59,400
Southwest Dist.	91,300	75,500	75,500
Region 2 Subtotal	**302,000**	**276,000**	**281,100**
Region 3	272,800	230,200	252,000
Foothill Dist.	8,400	3,000	5,600
Mountain/Desert Dist.	6,600	4,900	5,800
Orange County Dist.	101,000	100,200	100,600
Region 3 Subtotal	**388,800**	**338,300**	**364,000**
Total Regions 1, 2 & 3	**991,100**	**902,100**	**938,800**

6.7 Miscellaneous

GSWC's Request and DRA's Position:

To forecast Miscellaneous expenses, GSWC used various inflation adjusted methodologies: the five-year average was used in Clearlake, Ojai, Santa Maria, Region 2 CSAs, and the Central, Mountain Desert, and

Orange County District Offices; the latest recorded data was used in Arden Cordova, Bay Point, Los Osos and the Northern, Coastal, and Foothill District Offices; the three-year average was used in Simi Valley; and a two-year average was used in the Southwest District Office and the Region 3 CSAs.

The differences in GSWC and DRA's forecast in Arden Cordova, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley, the Region 2 CSAs and the Central District Office are due to the application of customer growth to develop the forecast and DRA's recommendation to exclude dues for community based organizations such as the Chamber of Commerce, Lions Club, Rotary Club and Kiwanis Club. In addition to customer growth and exclusion of membership dues, DRA used a five year average in Bay Point, the Region 3 CSAs and the Southwest District Office. In the Foothill District the difference was due to the application of customer growth.

DRA agrees to GSWC's estimates in the Northern, Coastal, Mountain Desert, and Orange County District Offices.

Resolution:

The Parties agree to the estimates for Miscellaneous expenses in 2013 as set forth below.

Table 6.6 Miscellaneous Expenses			
Miscellaneous	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	42,100	40,500	41,300
Bay Point	6,600	2,500	4,600
Clearlake	800	500	600
Los Osos	800	200	500
Ojai	5,500	4,900	5,200
Santa Maria	1,100	700	900
Simi Valley	7,900	4,800	6,400
Northern Dist.	3,100	3,100	3,100
Coastal Dist.	1,700	1,700	1,700
Region 1 Subtotal	**69,600**	**58,900**	**64,300**
Region 2	5,300	1,500	3,400
Central Dist.	14,100	13,600	13,900
Southwest Dist.	56,900	27,000	56,900
Region 2 Subtotal	**76,300**	**42,100**	**74,200**
Region 3	17,300	11,000	14,100
Foothill Dist.	7,800	7,700	7,800
Mountain/Desert Dist.	1,100	1,100	1,100
Orange County Dist.	1,600	1,600	1,600
Region 3 Subtotal	**27,800**	**21,400**	**24,600**
Total Regions 1, 2 & 3	**173,700**	**122,400**	**163,100**

6.8 Allocated General Office Expenses–Corporate Support

GSWC's Request and DRA's Position:

The Allocated General Office Expenses–Corporate Support are forecasted at the General Office and then allocated to the CSAs. The detailed information and description of the parties' positions regarding the forecast is presented in the General Office Allocation Section 12. The amount to be allocated to the CSAs is shown below.

Resolution:

The Parties agree to the estimates for General Office Expenses – Corporate Support in 2013 for each CSA as set forth below:

Table 6.7 Allocated General Office Expenses			
Allocated General Office Expenses	2013 ($)		
	GSWC	DRA	Stipulated
Arden Cordova	1,460,500	1,288,000	1,357,000
Bay Point	319,300	282,000	295,400
Clearlake	107,300	95,000	100,100
Los Osos	193,700	170,000	177,800
Ojai	243,400	214,000	225,300
Santa Maria	837,600	739,000	778,700
Simi Valley	910,900	805,000	846,300
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**4,072,700**	**3,593,000**	**3,780,600**
Region 2	8,472,500	7,484,000	7,889,200
Central Dist.	0	0	0
Southwest Dist.	0	0	0
Region 2 Subtotal	**8,472,500**	**7,484,000**	**7,889,200**
Region 3	8,383,600	7,394,000	7,784,100
Foothill Dist.	0	0	0
Mountain/Desert Dist.	0	0	0
Orange County Dist.	0	0	0
Region 3 Subtotal	**8,383,600**	**7,394,000**	**7,784,100**
Total Regions 1, 2 & 3	**20,928,800**	**18,471,000**	**19,453,900**

6.9 Allocated General Office Expenses–Centralized Operations Support

GSWC's Request and DRA's Position:

The Allocated General Office Expenses – Centralized Operations Support ("COPS") are forecasted at the General Office and then allocated to the CSAs. The detailed information and description of the parties' positions regarding the forecast is presented in General Office Allocation Section 12. The amount to be allocated to the CSAs is shown below.

Resolution:

The Parties agree to the estimates for General Office Expenses – Centralized Operations Support in 2013 for each CSA as set forth below:

Table 6.8 Allocated Centralized Operations Support Expenses			
Allocated Centralized Operations Support ("COPS")	2013 ($)		
	GSWC	DRA	Stipulated
Arden Cordova	1,319,400	1,136,000	1,206,100
Bay Point	287,300	247,000	262,700
Clearlake	96,400	83,000	88,100
Los Osos	173,900	150,000	159,000
Ojai	219,300	189,000	200,400
Santa Maria	756,100	651,000	691,200
Simi Valley	822,300	708,000	751,700
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**3,674,700**	**3,164,000**	**3,359,200**
Region 2	7,659,500	6,597,000	7,001,700
Central Dist.	0	0	0
Southwest Dist.	0	0	0
Region 2 Subtotal	**7,659,500**	**6,597,000**	**7,001,700**
Region 3	7,568,800	6,519,000	6,918,800
Foothill Dist.	0	0	0
Mountain/Desert Dist.	0	0	0
Orange County Dist.	0	0	0
Region 3 Subtotal	**7,568,800**	**6,519,000**	**6,918,800**
Total Regions 1, 2 & 3	**18,903,000**	**16,280,000**	**17,279,700**

6.10 Allocated District Office Expense

GSWC's Request and DRA's Position:

GSWC and DRA agreed on the methodology to allocate the District Office Expenses. GSWC allocated district office expenses based on equivalent customers. DRA agreed to GSWC's allocation factors.

Resolution:

The Parties agree to the estimates of District Office Expenses allocated to the CSAs and District Offices as shown below:

Table 6.9 Allocated District Office Expenses			
Allocated District Office Expense	2013 ($)		
	GSWC	DRA	Stipulated
Arden Cordova	632,800	473,500	633,600
Bay Point	138,100	103,300	138,200
Clearlake	46,200	34,600	46,300
Los Osos	78,400	62,400	77,200
Ojai	99,000	78,800	97,500
Santa Maria	340,600	271,100	335,400
Simi Valley	369,800	294,300	364,200
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**1,704,900**	**1,318,000**	**1,692,400**
Region 2*	4,099,200	3,230,600	4,042,100
Central Dist.	0	0	0
Southwest Dist.	0	0	0
Region 2 Subtotal	**4,099,200**	**3,230,600**	**4,042,100**
Region 3*	5,346,000	4,574,100	4,851,700
Foothill Dist.	0	0	0
Mountain/Desert Dist.	0	0	0
Orange County Dist.	0	0	0
Region 3 Subtotal	**5,346,000**	**4,574,100**	**4,851,700**
Total Regions 1, 2 & 3	**11,150,100**	**9,122,700**	**10,586,200**

*Amounts include conservation expenses.

6.11 Other Maintenance of General Plant

GSWC's Request and DRA's Position:

To forecast Other Maintenance of General Plant expenses, GSWC used various inflation adjusted methodologies: the five-year average of previous recorded data was used in Clearlake, Ojai, Santa Maria, Region 3 CSAs, and the Northern, Coastal, Central, Southwest, Foothill and Mountain Desert District Offices; the five-year average plus additional funds for a new copier was used in Bay Point; the latest recorded data was used in Arden Cordova, Los Osos, Coastal and Orange County District Offices; the four-year average was used in Simi Valley; and

Region 2 CSAs used the three-year average less $500 due to the closure of the Torrance office.

The difference in GSWC and DRA's forecast in Arden Cordova and the Region 3 CSAs is due to the application of customer growth to develop the forecast. In addition to the application of customer growth DRA used the five-year average in Simi Valley and the Orange County District Office. In Los Osos, Ojai, Santa Maria, and the Region 2 CSAs DRA made adjustments to the forecast for non-reoccurring expenses.

DRA agrees to GSWC's estimates in Bay Point, Clearlake, and the Northern, Coastal, Central, Southwest, Foothill and Mountain Desert District Offices.

Resolution:

The Parties agree to the estimates for Other Maintenance of General Plant in 2013 as set forth below.

Table 6.10 Other Maintenance General Plant Expense			
Other Maintenance General Plant	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	21,800	21,200	21,500
Bay Point	3,200	3,200	3,200
Clearlake	1,200	1,200	1,200
Los Osos	6,200	2,900	4,600
Ojai	12,900	6,800	9,800
Santa Maria	8,300	7,700	8,000
Simi Valley	5,100	4,600	4,800
Northern Dist.	700	700	700
Coastal Dist.	4,600	4,600	4,600
Region 1 Subtotal	**64,000**	**52,900**	**58,400**
Region 2	38,600	37,100	37,800
Central Dist.	3,900	3,900	3,900
Southwest Dist.	4,800	4,800	4,800
Region 2 Subtotal	**47,300**	**45,800**	**46,500**
Region 3	80,800	80,400	80,400
Foothill Dist.	4,300	4,300	4,300
Mountain/Desert Dist.	6,200	6,200	6,200
Orange County Dist.	3,900	3,300	3,500
Region 3 Subtotal	**95,200**	**94,200**	**94,400**
Total Regions 1, 2 & 3	**206,500**	**192,900**	**199,300**

6.12 Rent

GSWC's Request and DRA's Position:

To forecast Rent expense, DRA and GSWC used data from leases. GSWC also included the following: $86,500 for the Arden Cordova and the Northern District Office due to a change in expense account where rent is recorded; an increase in rent expense in Ojai due to the CSA office relocation; additional funds in the Region 2 CSAs for the anticipated increase in rent as a result of the Culver City office relocation; additional funds in the Region 3 CSAs for the anticipated increase in rent due to the relocation of the San Gabriel office. In Region 2, GSWC requested additional funds for an increase in rent due to planned office relocation

resulting from aging facilities, safety issues, and location in a high traffic area with little or no parking for customers. In Region 3, GSWC requested additional funds due to owners not wanting to renew the current office lease.

DRA recommended disallowing relocation of the Culver City office in Region 2 and the San Gabriel office in Region 3. The difference in Arden Cordova and the Northern District Office is due to allocation of Rent between the two areas. In Ojai, DRA made an adjustment in the application of the escalation factor and in Simi Valley DRA adjusted the base rate in the new lease agreement.

DRA and GSWC agreed on estimates in Bay Point, Clearlake, Los Osos, Santa Maria, and the Coastal, Central, Southwest, Foothill, Mountain Desert and Orange County District Offices.

GSWC agreed to DRA's estimates in Arden Cordova, Ojai, Simi Valley, and the Northern District Office.

Resolution:

The Parties agree to the estimates for Rent in 2013 as set forth below:

Table 6.11 Rent Expense			
Rent	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	49,800	35,200	35,200
Bay Point	31,100	31,100	31,100
Clearlake	14,100	14,100	14,100
Los Osos	1,100	1,100	1,100
Ojai	45,200	43,700	43,700
Santa Maria	101,000	101,000	101,000
Simi Valley	46,400	43,300	43,300
Northern Dist.	36,800	51,300	51,300
Coastal Dist.	0	0	0
Region 1 Subtotal	**325,500**	**320,800**	**320,800**
Region 2	406,700	388,500	397,900
Central Dist.	114,200	114,200	114,200
Southwest Dist.	94,100	94,100	94,100
Region 2 Subtotal	**615,000**	**596,800**	**606,200**
Region 3	229,800	216,800	216,800
Foothill Dist.	0	0	0
Mountain/Desert Dist.	24,400	24,400	24,400
Orange County Dist.	168,200	168,200	168,200
Region 3 Subtotal	**422,400**	**409,400**	**409,400**
Total Regions 1, 2 & 3	**1,362,900**	**1,327,000**	**1,336,400**

7.0 Operations and Maintenance

7.1 Billing and Cash Processing Allocated from General Office

GSWC's Request and DRA's Position:

Billing and Cash Processing ("B&P" or "Billing and Payment Processing") are forecasted at the General Office and then allocated to the CSAs. The detailed information and parties' positions regarding the forecast are presented in the General Office Allocation Section 12. The amount to be allocated to the CSAs is shown below.

Resolution:

The Parties agree to the estimates for Billing and Cash Processing Allocation in 2013 for each CSA as set forth below:

Table 7.1 Allocated GO – Billing and Cash Processing Expense			
Allocated GO – Billing and Cash Processing	2013 ($)		
	GSWC	DRA	Stipulated
Arden Cordova	355,100	343,000	349,300
Bay Point	77,400	75,000	76,100
Clearlake	26,000	25,000	25,600
Los Osos	46,800	45,000	46,000
Ojai	58,900	57,000	57,900
Santa Maria	203,200	196,000	199,900
Simi Valley	221,100	213,000	217,500
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**988,500**	**954,000**	**972,300**
Region 2	2,059,400	1,987,000	2,025,800
Central Dist.	0	0	0
Southwest Dist.	0	0	0
Region 2 Subtotal	**2,059,400**	**1,987,000**	**2,025,800**
Region 3	2,035,700	1,964,000	2,002,500
Foothill Dist.	0	0	0
Mountain/Desert Dist.	0	0	0
Orange County Dist.	0	0	0
Region 3 Subtotal	**2,035,700**	**1,964,000**	**2,002,500**
Total Regions 1, 2 & 3	**5,083,600**	**4,905,000**	**5,000,600**

7.2 Other Operating Expenses

GSWC's Request and DRA's Position:

To forecast Other Operating Expenses, GSWC used various inflation adjusted methodologies excluding historical conservation then adding forecasted conservation as needed: the five-year average plus additional funds for Automated Vehicle Locating System ("AVLS") was used in Ojai; the five-year average plus additional funds for AVLS and Unregulated

Contaminants Monitoring Rule 3 ("UCMR3") was used in Simi Valley and the Region 3 CSAs; the five-year average plus additional funds for AVLS, UCMR3 and Santa Maria Management Fees was used in Santa Maria; the five-year average plus additional funds for AVLS, UCMR3 and treatment at the Miramonte Plant was used in the Region 2 CSA; the four-year average plus additional funds for AVLS was used in Clearlake; the three-year average plus additional funds for regional expenses was used in the Central, Southwest and Orange County District Offices; the three-year average plus additional funds for regional expenses and AVLS was used in the Coastal, Northern, Foothill and Mountain Desert District Offices; a two-year average plus additional funds for AVLS was used in Los Osos; a two-year average plus additional funds for AVLS and UCMR3 was used in Arden Cordova; Bay Point was based on the latest recorded data plus additional funds for AVLS and UCMR3.

Conservation expenses are a component of GSWC's operating expenses, however are not addressed in this Section 7.2. Given that DRA splits other operation expenses and conservation expenses into two separate items; conservation is presented separately below at Section 10.

GSWC and DRA disagreed on when customer growth was applied and recommended disallowing AVLS. These factors were the primary difference in the forecast of Other Operating Expenses in Bay Point, Los Osos, Ojai, Santa Maria, Simi Valley, and the Region 3 CSAs; in Arden Cordova DRA's recommendation was based on the five-year average in addition to the differences in customer growth and AVLS; in Clearlake in addition to the differences in customer growth and AVLS, DRA used a three-year average. In the Region 2 CSAs, DRA recommended a lower amount for water treatment at Miramonte Plant, recommended disallowing courtesy adjustments, customer growth and made an adjustment for expenses related to Unregulated Contaminants Monitoring Rule 2. The differences in the Coastal and Northern District Offices is due to DRA

inadvertently excluding funds for regional operating expenses and the previously mentioned AVLS expenses. In the Central, Southwest and Orange County District Offices, DRA used a five-year average and excluded funds for regional operating expenses. In the Foothill and Mountain Desert District Offices, DRA used a five-year average and excluded funds for regional operating expenses in addition to the AVLS expenses mentioned above. Additionally, the Parties agreed to a reduction of $79,000 of Other Operation Expenses in Ojai.[5]

Resolution:

The Parties agree to the estimates for Other Operating Expenses in 2013 as set forth below:

[5] See Customer Service Section 15.0

Table 7.2 Other Operation Expenses (excluding conservation)			
Other Operation Expenses (excluding conservation)	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	311,600	262,600	287,100
Bay Point	87,000	84,500	87,100
Clearlake	102,000	81,500	92,000
Los Osos	177,100	174,000	176,900
Ojai	108,200	104,800	28,200
Santa Maria	558,400	542,800	550,500
Simi Valley	96,200	94,400	96,200
Northern Dist.	13,900	1,300	14,100
Coastal Dist.	13,400	2,600	13,400
Region 1 Subtotal	**1,467,800**	**1,348,500**	**1,345,500**
Region 2	2,974,700	2,809,700	2,809,700
Central Dist.	59,200	33,700	50,700
Southwest Dist.	54,000	28,500	41,300
Region 2 Subtotal	**3,087,900**	**2,871,900**	**2,901,700**
Region 3	2,526,900	2,490,200	2,514,100
Foothill Dist.	54,800	17,400	42,200
Mountain/Desert Dist.	28,300	10,800	19,800
Orange County Dist.	60,800	24,300	43,000
Region 3 Subtotal	**2,670,800**	**2,542,700**	**2,619,100**
Total Regions 1, 2, & 3	**7,226,500**	**6,763,100**	**6,866,300**

Table 7.3 Conservation Expense (other operation expenses)			
Conservation (other operation expenses)	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	140,395	72,676	100,017
Bay Point	19,043	6,410	11,404
Clearlake	5,104	1,426	3,900
Los Osos	12,356	6,318	8,463
Ojai	14,054	7,296	8,975
Santa Maria	77,534	32,745	44,453
Simi Valley	79,229	22,513	44,317
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**347,715**	**149,384**	**221,529**
Region 2	0	0	0
Central Dist.*	299,596	146,650	181,801
Southwest Dist.*	299,596	146,650	181,801
Region 2 Subtotal	**599,192**	**293,300**	**363,602**
Region 3	0	0	0
Foothill Dist.*	261,651	87,944	140,625
Mountain/Desert Dist.*	246,260	82,771	132,353
Orange County Dist.*	261,651	87,944	140,625
Region 3 Subtotal	**769,561**	**258,660**	**413,602**
Total Regions 1, 2 & 3	**1,716,468**	**701,344**	**998,733**

*Conservation amounts included in Allocated District Office Expenses.

7.3 Uncollectible Rates

GSWC's Request and DRA's Position:

GSWC used the five-year average of actual amounts expensed. DRA used the inflation adjusted five-year average in Region 1 for Arden Cordova, Bay Point, Santa Maria and Simi Valley in the areas it did not accept GSWC's rate the previously adopted five-year average in Region 2 and Region 3 and accepted GSWC's methodology in Clearlake, Los Osos and Ojai.

Resolution:

The Parties agree to the estimates of uncollectible rates in 2013 as set forth below:

Table 7.4 Uncollectible Rates			
Uncollectible Rate	2013		
CSA	GSWC	DRA	Stipulated
Arden Cordova	0.337%	0.143%	0.240%
Bay Point	0.558%	0.466%	0.466%
Clearlake	0.630%	0.630%	0.749%
Los Osos	0.111%	0.111%	0.144%
Ojai	0.148%	0.148%	0.187%
Santa Maria	0.138%	0.099%	0.099%
Simi Valley	0.257%	0.226%	0.226%
Region 2	0.333%	0.317%	0.317%
Region 3	0.230%	0.190%	0.210%

7.4 Other Maintenance Expenses

GSWC's Request and DRA's Position:

To forecast Other Maintenance Expenses, GSWC used various inflation adjusted methodologies: the five-year average was used in Arden Cordova, Clearlake, and in the Northern, Coastal, Central, Southwest, Foothill, Mountain Desert, and Orange County District Offices; the five year trend was used in the Region 3 CSA; a three-year average was used in Ojai; a three-year trend was used in Los Osos and the Region 2 CSA; Bay Point, Santa Maria, and Simi Valley were based on the latest recorded data.

DRA accepted GSWC estimates in Los Osos, Simi Valley and the Northern, Coastal, Central, Southwest, Foothill, and Mountain Desert District Offices. In Arden Cordova and in the Region 2 CSAs, DRA also used the five-year average but DRA's recommendation included

disallowing maintenance expenses associated with plant that was identified as no longer used and useful; Bay Point, Ojai, Santa Maria and the Orange County District Office DRA's recommendations were based on the five-year average; for the Region 3 CSAs the 2007-2009 three-year average was used; in Clearlake DRA used a two-year average.

Resolution:

The Parties agree to the estimates for Other Maintenance Expenses in 2013 as set forth below.

Table 7.5 Other Maintenance Expenses			
Other Maintenance Expenses	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	280,700	260,800	270,700
Bay Point	122,500	110,600	114,800
Clearlake	63,700	49,600	63,700
Los Osos	362,300	362,300	362,300
Ojai	371,600	353,700	353,700
Santa Maria	404,000	396,500	400,300
Simi Valley	68,500	68,500	68,500
Northern Dist.	500	500	500
Coastal Dist.	700	700	700
Region 1 Subtotal	**1,674,500**	**1,603,200**	**1,635,200**
Region 2	4,126,800	3,853,100	3,989,900
Central Dist.	8,300	8,300	8,300
Southwest Dist.	7,000	7,000	7,000
Region 2 Subtotal	**4,142,100**	**3,868,400**	**4,005,200**
Region 3	7,606,000	6,084,400	6,900,000
Foothill Dist.	4,500	4,500	4,500
Mountain/Desert Dist.	3,600	3,600	3,600
Orange County Dist.	4,500	4,400	4,500
Region 3 Subtotal	**7,618,600**	**6,096,900**	**6,912,600**
Total Regions 1, 2 & 3	**13,435,200**	**11,568,500**	**12,553,00**

7.5 Chemical Expenses

GSWC's Request and DRA's Position:

To forecast Chemicals, GSWC used various inflation adjusted methodologies to calculate a unit cost per acre foot of water. A two-year average was used in Arden Cordova and Ojai, the latest recorded data was used for Bay Point, Los Osos, Santa Maria and the Foothill District Office; a four-year average was used in Clearlake; a five-year average was used in Simi Valley and the Central and Southwest District Offices; a three-year average was used in Region 2, and the latest recorded data was used in Region 3.

DRA accepted all of GSWC's estimates.

Resolution:

The Parties agree to the Chemical Expenses for each CSA as set forth below.

Table 7.6
Chemical Expenses

Chemicals	2013 ($)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	$107,357	$91,298	$107,357
Bay Point	$1,971	$1,971	$1,971
Clearlake	$39,023	$39,023	$39,023
Los Osos	$268,650	$268,650	$268,650
Ojai	$36,204	$36,204	$36,204
Santa Maria	$60,861	$60,861	$60,861
Simi Valley	$2,664	$2,664	$2,664
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region 1 Subtotal	**$516,730**	**$500,671**	**$516,730**
Region 2	$1,185,131	$1,254,700	$1,185,131
Central Dist.	$1,500	$1,500	$1,500
Southwest Dist.	$300	$300	$300
Region 2 Subtotal	**$1,186,931**	**$1,256,500**	**$1,186,931**

Chemicals	2013 ($)		
CSA	GSWC	DRA	Stipulated
Region 3	$2,009,901	$2,096,300	$2,009,901
Foothill Dist.	$4,500	$3,000	$4,500
Mountain/Desert Dist.	0	0	0
Orange County Dist	0	0	0
Region 3 Subtotal	**$2,014,401**	**$2,099,300**	**$2,014,401**
Total Regions 1, 2 & 3	**$3,718,062**	**$3,856,471**	**$3,718,062**

8.0 Taxes

8.1 Property Taxes

GSWC's Request and DRA's Position:

GSWC and DRA both used the same methodology of the five-year average of property tax expenses divided by the five-year average of utility plant in service to derive the property tax rates.

Resolution:

The Parties agree to the estimated property tax rate for use in the test years for each CSA as follows.

Table 8.1
Property Taxes Expense

CSA	**Property Tax %**
Arden Cordova	0.42%
Bay Point	0.43%
Clearlake	0.38%
Los Osos	0.54%
Ojai	0.49%
Santa Maria	0.34%
Simi Valley	0.47%
Region 2	0.72%
Region 3	0.59%

8.2 Payroll Taxes

GSWC's Request and DRA's Position:

GSWC and DRA agree to apply a rate of 8.21% to all labor expenses, as calculated in GSWC's forecast. The differences in the Parties initial estimates were due to the difference in payroll estimates. The payroll estimates have been settled pursuant to Section 5.

Following GSWC's Application, payroll taxes for the Central District and Southwest District were increased to reflect the addition of six Water Supply Operators to perform the First 5 fluoridation program in Region 2. DRA agreed with these increases.

Resolution:

The Parties agree to Payroll Taxes reflecting the settled labor expenses as follows:

Table 8.2
Payroll Tax Expense

Payroll Tax	2013 ($)		
	GSWC	DRA	Stipulated
Arden Cordova	74,900	71,200	71,600
Bay Point	28,300	28,200	28,200
Clearlake	31,200	31,100	30,800
Los Osos	35,000	34,900	34,800
Ojai	41,400	41,300	40,900
Santa Maria	70,900	70,700	67,600
Simi Valley	40,200	40,100	40,100
Northern Dist.	39,000	24,600	38,900
Coastal Dist.	43,300	31,700	43,200
Region 1 Subtotal	**404,200**	**373,800**	**396,100**
Region 2	429,300	419,300	425,200
Central Dist.	54,900	56,700	68,900
Southwest Dist.	66,700	64,500	73,200
Region 2 Subtotal	**550,900**	**540,500**	**567,300**
Region 3	573,700	558,900	565,100
Foothill Dist.	84,200	81,900	82,900

Payroll Tax	2013 ($)		
	GSWC	DRA	Stipulated
Mountain/Desert Dist.	40,500	39,400	39,900
Orange County Dist.	67,300	65,500	66,200
Region 3 Subtotal	**765,700**	**745,700**	**754,100**
Total Regions 1, 2 & 3	**1,720,800**	**1,660,000**	**1,717,500**

8.3 Local Taxes

GSWC's Request and DRA's Position:

GSWC and DRA used the same methodology of applying the five-year average recorded rate of local taxes on all revenue. GSWC and DRA agree that Local Taxes should be updated based on the settled revenues.

Resolution:

The Parties agree to the Local Tax rates used for 2013 as follows:

Table 8.3 Local Taxes Rate	
CSA	Local Tax
Arden Cordova	0.634%
Bay Point	1.243%
Clearlake	0.005%
Los Osos	0.000%
Ojai	1.067%
Santa Maria	0.000%
Simi Valley	1.305%
Region 2	1.172%
Region 3	0.959%

8.4 Income Taxes

GSWC's Request and DRA's Position:

GSWC and DRA differed on the deduction amount for federal income tax calculation. The differences in estimates for Federal Income Taxes

between DRA and GSWC are due to differences in estimates for revenues, expenses, rate base, DPAD for Federal Income Tax purposes and the methodology used to determine the California Corporate Franchise Taxes ("CCFT") deduction for Federal Income Tax purposes. To calculate CCFT, GSWC used an estimated CCFT at present rates for the test year 2013 as a deduction for Federal Income Tax purposes. This method is consistent with the methodology established in D.89-11-058. DRA recommended the use the of CCFT numbers from 2012 escalation data.

Resolution:

The Parties agree to the estimates of the CCFT deduction in each CSA as follows:

Table 8.4 Income Tax CCFT Deduction			
Income Tax CCFT deduction	2013 (thousands of $)		
CSA	GSWC	DRA	Stipulated
Arden Cordova	-75.7	-150.2	-135.2
Bay Point	-76.3	-86.3	-81.0
Clearlake	-39.3	-39.4	-39.0
Los Osos	10.8	-73.4	-66.5
Ojai	-99.6	-126.3	-113.0
Santa Maria	-169.3	-187.2	-178.0
Simi Valley	6.4	-87.8	-79.0
Region 1 Subtotal	**-443.0**	**-750.6**	**-691.7**
Region 2	-1,464.0	-2,354.9	-2,119.5
Region 3	-919.0	-2,202.6	-1,982.4
Total Regions 1,2 & 3	**-2,826.0**	**-5,308.1**	**-4,793.6**

8.5 Repair Regulations

GSWC's Request and DRA and TURN's Position:

In its Prepared Testimony, TURN raised concerns about the ratemaking

treatment that would be applied to any future implementation by GSWC of the U.S. Treasury regulations issued in December 2011 with respect to the treatment of repair costs ("repair regulations") (T.D. 9564), including network assets. Specifically, TURN requested that GSWC account for the temporary tax timing differences resulting from implementation of the repair regulations on a normalized (rather than flow-through) basis in order to preserve the benefit of implementing the repair regulations for future rate cases.

Resolution:

The Parties agree to the following: GSWC agrees to treat the deferred taxes associated with the implementation of the repair regulations for both federal and California purposes on a normalized basis.

In consideration for GSWC agreeing to treat the deferred taxes associated with the implementation of the repair regulations for both federal and California purposes on a normalized basis, DRA and TURN agreed that GSWC would increase its test year Outside Services for its General Office function by $300,000 and GSWC would be granted a memorandum account associated with other tax effects resulting from the implementation of the repair regulations.

The memorandum account will track permanent and flow-through tax effects on other tax calculations resulting from implementing the repair regulations that may increase or decrease federal income taxes or California Corporation Franchise Taxes ("CCFT") in years prior to the next general rate case (years prior to 2016), including, but not limited to, changes to the Domestic Production Activities Deduction, CCFT, and audit defense cost directly associated with the implementation of the repair regulations. This memorandum account will remain open until January 1, 2016, when rates become effective in GSWC's next GRC. To the extent that the effects of implementing repair regulations impact GSWC's

revenue requirement prior to the approval of the memorandum account, GSWC will treat an equivalent offsetting portion of the temporary difference of implementing the repair regulations as a flow-through adjustment with the intent that GSWC be made whole.

The parties further agree that the final incurred costs will be reviewed in GSWC's next GRC and be subject to refund.
In addition, GSWC agrees to send two reports to DRA and TURN identifying:

1. The federal tax deduction for the "catch-up" repairs adjustment (IRC Sec. 481(a) adjustment) used for financial-statement purposes and its federal tax return filing within 15 days of filing its Form 10_K for the implementation year, and within 15 days of filing a tax return for the same period

2. The tax deduction used on its federal tax return filing for the first tax year that is on the new repairs method (after making the change with a 481(a) adjustment), and then annually thereafter until GSWC files its next general rate case, within 15 days of filing a tax return for the same period .

9.0 Supply Volume

9.1 Sources

GSWC's Request and DRA's Position:

A combination of historical usage, expected developments, and constraints on systems were analyzed to determine the level of production from wells and purchased water. GSWC's original request was based on historical projections. DRA's position was to decrease forecasted supply mix by the new sources of supply forecasted for the test years. The difference in supply volume is attributable to the change in supply mix for

Region 3 and to the differences in the Parties' projection of sales, which is addressed in Section 4.

Resolution:

The Parties agree to the stipulated supply mix volume in KCcf for 2013, 2014 and 2015 set forth below:

Table 9.1 Arden Cordova CSA Supply Mix Volume in KCcf			
Arden Cordova CSA	2013	2014	2015
Wells Production	2,382.2	2,068.2	2,018.6
Purchased	0.0	0.0	0.0
Surface	4,205.1	4,205.1	4,205.1
Total	6,587.3	6,273.3	6,223.7

Table 9.2 Bay Point CSA Supply Mix Volume in KCcf			
Bay Point CSA	2013	2014	2015
Wells Production	104.7	104.7	104.7
Purchased	901.3	902.7	905.0
Total	1,006.0	1,007.4	1,009.6

Table 9.3 Clearlake CSA Supply Mix Volume in KCcf			
Clearlake CSA	2013	2014	2015
Wells Production	0.0	0.0	0.0
Purchased	178.1	178.8	179.2
Surface	58.3	58.3	58.3
Total	236.4	237.2	237.5

Table 9.4 Los Osos CSA Supply Mix Volume in KCcf			
Los Osos CSA	2013	2014	2015
Wells Production	436.7	435.9	435.2
Purchased	0.0	0.0	0.0
Total	436.7	435.9	435.2

Table 9.5 Ojai CSA Supply Mix Volume in KCcf			
Ojai CSA	2013	2014	2015
Wells Production	877.8	893.4	909.1
Purchased	234.2	234.2	234.2
Total	1,112.0	1,127.6	1,143.4

Table 9.6 Santa Maria CSA Supply Mix Volume in KCcf			
Santa Maria CSA	2013	2014	2015
Wells Production	4,051.9	4,081.3	4,101.5
Purchased	120.7	120.7	120.7
Total	4,172.5	4,201.9	4,222.1

Table 9.7 Simi Valley CSA Supply Mix Volume in KCcf			
Simi Valley CSA	2013	2014	2015
Wells Production	367.4	367.4	367.4
Purchased	2,838.0	2,841.9	2,844.3
Total	3,205.4	3,209.4	3,211.8

Table 9.8 Region 2 CSAs Supply Mix Volume in KCcf			
Region 2 CSAs	2013	2014	2015
Wells Production	15,039.7	15,039.7	15,039.7
Purchased	11,814.7	11,863.2	11,909.3
Total	26,854.4	26,902.9	26,949.0

Table 9.9 Region 3 CSAs Supply Mix Volume in KCcf			
Region 3 CSAs	**2013**	**2014**	**2015**
Wells Production	19,654.6	19,691.0	19,721.9
Purchased	9,821.4	9,894.5	9,940.6
Surface	91.4	91.4	91.4
Total	29,567.4	29,676.9	29,753.9

9.2 Supply Cost

GSWC's Request and DRA's Position

GSWC's original request was based on historical projections. DRA's position was to decrease forecasted supply mix by the new sources of supply forecasted for the test years. The difference in supply cost is attributable to the changes in Supply Mix in Region 3 and the differences in the Parties' projection of sales, which is addressed in Section 4.

Resolution:

The Parties agree to use GSWC's methodology to forecast purchased water, pump taxes and purchased power costs. The Parties agree that the latest available rates prior to producing the final decision tables should be used as referenced in paragraph 16.2.

10.0 Conservation Expenses and Programs

10.1 Conservation Budget Summary

GSWC's Request and DRA's Position:

GSWC submitted a proposed conservation budget of $347,715 for Region 1, $599,192 for Region 2, and $769,561 for Region 3 for test year 2013.

GSWC's testimony states that it considered a number of factors in evaluating and developing a recommended budget for each conservation program in all of GSWC's Customer Service Areas in Regions 1, 2, and 3. In forecasting its proposal, GSWC considered the previous GRC's level of adopted conservation budget, the most recent conservation expenses incurred, and the current conservation programs and trends.

DRA considered a numbers of factors in evaluating and developing a recommended budget for each conservation program in all of GSWC's CSAs in Regions 1, 2 and 3. These factors include GSWC's testimony, GSWC's responses to DRA's data requests, Urban Water Management Plans, GSWC's historical spending, testimony, rebuttal testimony, settlement agreements from GSWC's previous GRC filing, the potential for duplication with third party efforts, and the cost effectiveness of a program. In addition, DRA examined each CSA's 2010 status in regard to Senate Bill ("SB") x7-7 (Water Code, Part 2.55, Section 10608 et seq.) goals and compliance.

Based on information provided by GSWC and factors described above, DRA recommended a budget of $149,394 for Region 1, $293,300 for Region 2, and $258,660 for Region 3.

Resolution:

The Parties agree to settle GSWC's conservation budget for test year 2013 in the following amounts: $221,530 for Region 1; $363,602 for

Region 2; and $413,600 for Region 3, for a total of $998,732 for Test Year 2013 (see Table 1 below) with escalation factors added for 2014 and 2015 at the time GSWC files its attrition filings in 2014 and 2015.

Table 10.1

Conservation Program and Expenses for Regions 1, 2 and 3

Region	GSWC 2013 Proposed	DRA Recommendation	Stipulated
1	$347,715	$149,394	$221,530
2	$599,192	$293,300	$363,602
3	$769,561	$258,660	$413,600
Total	$1,716,468	$701,354	$998,732

10.2 Region 1

GSWC's Request and DRA's Position:

The Parties' positions as to conservation expenses in Region 1 are set forth above in Section 10.1 above.

Resolution:

The Parties agree that GSWC should be authorized a total conservation budget of $221,530 for Region 1 as follows:

Table 10.2

Conservation Program and Expenses for Region 1

Customer Service Areas	2013 Proposed	DRA Recommendation	Stipulated
Arden Cordova	$140,395	$72,676	$100,017
Bay Point	$19,043	$6,410	$11,404
Clearlake	$5,104	$1,426	$3,900
Los Osos	$12,356	$6,318	$8,463
Ojai	$14,054	$7,296	$8,975
Santa Maria	$77,534	$32,745	$44,453
Simi Valley	$79,228	$22,523	$44,318
Total	$347,714	$149,394	$221,530

The Parties agree that conservation funds for each CSA in Region 1 are not transferrable across CSAs. The Parties acknowledge that not every CSA in Region 1 has a budget for each category, therefore the Parties agree that the following conservation programs are subject to spending caps: School Conservation Education Program, Water Conservation Kits, Public Information and High Efficiency Toilet ("HET") Distribution Programs.

The Parties agree that within each CSA, GSWC will have the flexibility to spend funds on any other measures it finds to be a cost effective program provided such measures are consistent with the Flex Track Menu of the Memorandum of Understanding ("MOU") of the California Urban Water Conservation Council ("CUWCC"). GSWC will report on the cost-effectiveness of such measures in its annual report to the Commission.

Arden Cordova CSA

The Parties agree that GSWC should be authorized a total conservation budget of $100,017 for the Arden Cordova CSA as follows:

Table 10.3

Conservation Program and Expenses for Arden Cordova CSA

	2013 Proposed	DRA Recommendation	Stipulated
Regional Program			
RWA Dues	$18,265	$17,002	$0
Misc. RWA Programs	$19,685	$18,324	$0
Sub-Total	$37,950	$35,326	$37,950
FET/HECW/Direct Install Rebates	$15,901	$5,500	$11,520
HET/HECW/Direct Install Rebates	$19,876	$5,500	$11,520
Conservation Kits & Devices	$12,785	$0	$1,600
Large Landscape Audits	$13,430	$5,940	$10,395
CII Audits	$5,372	$5,000	$5,372
Residential Audits	$5,641	$2,600	$3,250

	2013 Proposed	DRA Recommendation	Stipulated
Regional Program			
Public Outreach Program	$17,109	$6,100	$11,700
School Conservation Educ. Program	$12,331	$6,710	$6,710
Total	$140,395	$72,676	$100,017

The Parties agree to GSWC's proposal to reduce its Public Outreach Program cost from $1.00 per customer to $0.75 per customer for 15,600 customers. For the HET and High Efficiency Clothes Washer ("HECW") Rebates, the parties agree to 6 rebates per month for each program at $160 per rebate ($125 + $35 admin/application process fee). Large Landscape Audits are reduced to 7 audits per year at $1,485 per audit.

In addition, GSWC agrees to reduce its School Conservation Education Program to $6,710 and either reduce school presentations by half and/or only reach out to 6th graders.

Bay Point CSA

The Parties agree that GSWC should be authorized a total conservation budget of $11,404 for Bay Point CSA as follows:

Table 10.4

Conservation Program and Expenses for Bay Point CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
Conservation Kits & Devices	$3,995	$880	$1,600
Public Outreach Program	$4,562	$649	$4,562
School Conservation Educ. Program	$10,486	$4,881	$5,242
Total	$19,043	$6,410	$11,404

The Parties agreed to a budget of $1,600 for GSWC's Conservation Kits & Devices or $8 per kit, which includes indoor devices for 200 customers. For the Public Outreach Program, the parties agreed to GSWC's budget of $4,562 or $1 per customer.

In addition, GSWC agreed to reduce its School Conservation Education Program by approximately 50% and either reduce school presentations by half and/or only reach out to 6th graders.

Clearlake CSA

The Parties have agreed that GSWC should be authorized a total conservation budget of $3,900 for Clearlake CSA as follows:

Table 10.5

Conservation Program and Expenses for Clearlake CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
High Efficiency Clothes Washer (HECW) Rebate Program	$1,343	$0	$0
Toilet Direct Program	$3,576	$625	$3,900
High Efficiency Toilet (HET) Rebate Program		$625	$0
Conservation Kits & Devices	$185	$176	$0
Total	$5,104	$1,426	$3,900

The Parties agreed to only fund the Toilet Direct Program for 20 toilets at $195 per toilet due to the number of California Alternative Rates for Water ("CARW"-low income) participants.

Los Osos CSA

The Parties agreed that GSWC should be authorized a total conservation budget of $8,463 for Los Osos CSA as follows:

Table 10.6

Conservation Program and Expenses for Los Osos CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
High Efficiency Clothes Washer (HECW) Rebate Program	$1,612	$750	$0
Toilet Direct Program	$5,370	$2,535	$3,900
High Efficiency Toilet (HET) Rebate Program	$1,612	$750	$1,000
Public Outreach Program	$1,788	$894	$1,589
School Conservation Educ. Program	$1,974	$1,389	$1,974
Total	$12,356	$6,318	$8,463

The Parties agreed to GSWC's proposal to reduce its Public Outreach Program cost from $1.00 per customer to $0.50 per customer for 3,177 customers. For the Toilet Rebate program, parties agreed to 8 rebates per year at $125 per rebate.

Due to the number of CARW participants in the area, the Parties agreed to move funding for the HECW Rebate program to the HET Direct Program for 20 toilets per year at $195 each.

The Parties agreed to GSWC's original proposal of $1,974 for its School Conservation Education Program due to GSWC's existing agreement with surrounding purveyors and agencies.

Ojai CSA

The Parties agreed that GSWC should be authorized a total conservation budget of $8,975 for Ojai CSA as follows:

Table 10.7

Conservation Program and Expenses for Ojai CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
City of Oxnard – Water Wise	$919	$855	$909
High Efficiency Clothes Washer (HECW) Rebate Program	$1,343	$625	$0
Toilet Direct Program	$5,154	$2,340	$3,900
High Efficiency Toilet (HET) Rebate Program	$1,343	$625	$1,000
Public Outreach Program	$1,555	$1,115	$1,296
School Conservation Educ. Program	$3,740	$1,736	$1,870
Total	$14,054	$7,296	$8,975

The Parties agree to GSWC's proposal to reduce its Public Outreach Program cost from $1.00 per customer to $0.50 per customer for 2,591 customers. Due to the number of CARW participants in the area, the Parties agreed to move funding from the HECW Rebate program to the Toilet Direct program for 20 toilets per year at $195 each. For the Toilet Rebate program, the Parties agreed to fund 8 rebates per year at $125 per rebate.

In addition, GSWC agreed to reduce its School Conservation Education Program to approximately 50% or $1,870 and either reduce school presentations by half and/or only reach out to 6th graders.

Santa Maria CSA

The Parties agree that GSWC should be authorized a total conservation budget of $44,453 for Santa Maria CSA as follows:

Table 10.8

Conservation Program and Expenses for Santa Maria CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
Santa Barbara County - Green Business	$2,149	$2,000	$2,149
High Efficiency Clothes Washer (HECW) Rebate Program	$6,991	$0	$0
Toilet Direct Program	$24,596	$10,200	$15,600
High Efficiency Toilet (HET) Rebate Program	$6,991	$1,250	$3,125
Conservation Kits & Devices	$1,118	$1,040	$1,040
Large Landscape Audits	$5,050	$4,455	$4,455
Public Outreach Program	$7,220	$2,900	$6,374
School Conservation Educ. Program	$23,419	$10,900	$11,710
Total	$77,534	$32,745	$44,453

The Parties agree to GSWC's proposal to reduce its Public Outreach Program to $0.50 per customer for 12,748 customers. Due to the number of CARW participants and the number of high water users in the area, the Parties agreed to move funding from the HECW Rebate program to the Toilet Direct Program for 80 toilets per year at $195 each. For the HET Rebate program, the Parties agreed to fund 25 rebates per year at $125 per rebate.

In addition, GSWC agrees to reduce its School Conservation Education Program to approximately 50% or $11,710 and/or only reach out to 6th graders.

Simi Valley CSA

The Parties agreed that GSWC should be authorized a total conservation budget of $44,318 for Simi Valley CSA as follows:

Table 10.9

Conservation Program and Expenses for Simi Valley CSA

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
High Efficiency Clothes Washer (HECW) Rebate Program	$6,942	$0	$0
High Efficiency Toilet (HET) Rebate Program	$6,942	$1,250	$3,125
Conservation Kits & Devices	$11,106	$1,024	$1,600
Large Landscape Audits	$10,744	$4,455	$8,910
CII Audits	$10,744	$3,920	$9,800
Residential Audits	$5,328	$2,275	$4,875
Public Outreach Program	$14,395	$3,535	$9,494
School Conservation Education Program	$13,027	$6,064	$6,514
Total	$79,228	$22,523	$44,318

The Parties agree to GSWC's proposal to reduce its Public Outreach Program to $0.75 per customer for 12,658 customers. For the HET Rebate program, parties agreed to fund 25 rebates per year at $125 per rebate. For the Conservation Kits & Devices, the Parties agreed to fund 200 kits at $8 per kit.

Regarding audits, the Parties agree to fund 6 Large Landscape audits per year at $1,485 each, 5 CII audits per year at $1,960 each, and 15 Residential audits per year at $325 each.

In addition, GSWC agrees to reduce its School Conservation Education Program to approximately 50% or $6,514 and/or only reach out to 6th graders.

10.3 Region 2

GSWC's Request and DRA's Position:

The Parties' positions as to conservation expenses in Region 2 are set forth above in Section 10.1 above.

Resolution:

The Parties agree to a total budget of $363,602 for Region 2 as follows:

Table 10.10

Conservation Program and Expenses for Region 2

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
High Efficiency Toilet Distribution	$126,456	$58,800	$108,600
CII (Partnership Programs)	$64,464	$30,000	$35,000
Residential Partnership Programs)	$128,928	$74,500	$90,000
Conservation Kits & Devices	$64,464	$30,000	$30,000
School Conservation Education Program	$214,880	$100,000	$100,002
Total	$599,192	$293,300	$363,602

The Parties agree that the following conservation programs are subject to spending caps: School Conservation Education Program, Conservation Kits& Devices, and HET Distribution Program.

The Parties agree that GSWC will have flexibility to spend funds on any other measures it finds to be a cost effective program provided such measures are consistent with the Flex Track Menu of the MOU of the CUWCC. GSWC will report on the cost-effectiveness of such measures in its annual report to the Commission.

The Parties agree to GSWC's proposal of $108,600 for its HET distribution. GSWC explained that this program is a stand-alone program and is sponsored only by GSWC. The Parties agree that GSWC will reduce its annual CII and Residential Partnership programs to $35,000 and $90,000 respectively.

In addition, GSWC agrees to reduce its School Conservation Education Program to approximately 50% or $100,002 and/or only reach out to 6th

graders.

10.4 Region 3

GSWC's Request and DRA's Position:

The Parties' positions as to conservation expenses in Region 3 are set forth above in Section 10.1 above.

Resolution:

The Parties agree to a total budget of $413,600 for Region 3 as follows:

Table 10.11

Conservation Program and Expenses for Region 3

Conservation Programs	2013 Proposed	DRA Recommendation	Stipulated
HET/HECW/Direct Install Rebate Program	$146,133	$33,930	$50,000
High Efficiency Toilet Distribution	$126,469	$58,800	$108,600
CII (Partnership Programs)	$64,470	$30,000	$35,000
Residential (Partnership Programs)	$150,431	$70,000	$90,000
Public Outreach Program			
Conservation Kits & Devices	$67,157	$15,930	$30,000
School Conservation Education Program	$214,901	$50,000	$100,000
Total	$769,561	$258,660	$413,600

The Parties agree that the following conservation programs are subject to spending caps: School Conservation Education Program, Conservation Kits &Devices, and High Efficiency Toilet Distribution Program.

The Parties agree that GSWC will have flexibility to spend funds on any other measures it finds to be a cost effective program provided such measures are consistent with the Flex Track Menu of the MOU of the CUWCC. GSWC will report on the cost-effectiveness of such measures in

its annual report to the Commission.

The Parties agree to GSWC's proposal of $50,000 for its HET/HECW Direct Install/Rebate program and $108,600 for the HET Distribution programs. GSWC explained that these programs are stand-alone programs and are sponsored only by GSWC. The Parties agree that GSWC will reduce its CII and Residential Partnership programs to $35,000 and $90,000 respectively.

In addition, GSWC agrees to reduce its School Conservation Education Program to approximately 50% or $100,000 and/or only reach out to 6th graders.

10.5 One – Way Balancing Account

GSWC's Request and DRA's Position:

In order to ensure that funds authorized for conservation programs are dedicated to that purpose, DRA recommended a one-way balancing account for each CSA in Region 1, a one-way balancing account for Regions 2, and a one-way balancing account for Region 3 to track conservation expenses. DRA also recommended that any unspent funds be refunded to ratepayers at the end of this GRC cycle.

GSWC agreed with DRA's recommendation.

Resolution:

The Parties agree that Region 2 and 3 will each have its own one-way balancing account and any unspent funds will be refunded to ratepayers at the end of this rate case cycle. Further, Parties agree that each CSA in Region 1 will have a separate one-way balancing account.

10.6 Annual Reporting Requirements

GSWC's Request and DRA's Position:

DRA recommended that GSWC continue to file an annual report with DRA on April 1st of each year summarizing conservation activities and expenses for each CSA.

GSWC disagreed with DRA's recommendation because GSWC's annual report now contains information requested by DRA in the previous GRC as adopted in D.11-05-004.

Resolution:

The Parties agree that GSWC's annual report, which is filed with the Commission each year, already includes updated Schedule E-3, Description of Water Conservation Programs, which was adopted in D.11-05-004. Therefore, it is not necessary to continue filing a separate report to DRA.

10.7 CUWCC Best Management Practices ("BMP") Implementation Report

GSWC's Request and DRA's Position:

DRA recommended that GSWC provide DRA with a copy of the CUWCC BMP Implementation Report it files with the CUWCC every other year.

GSWC disagreed with DRA's recommendation since these reports are available to DRA and the public through CUWCC's website.

Resolution:

The Parties agree that the CUWCC BMP Implementation Report that GSWC files with the CUWCC every other year is accessible through CUWCC's website.

10.8 Conservation Budget Breakdown

GSWC's Request and DRA's Position:

DRA recommended that GSWC be required to provide DRA with a breakdown of its conservation budget for each conservation program in each CSA, including CSAs in Regions 2 and 3 in GSWC's next GRC filing.

Resolution:

The Parties agree that GSWC will provide DRA with a breakdown of its conservation budget for each conservation program in each CSA, including CSAs in Regions 2 and 3, following GSWC's next GRC filing upon request by DRA.

11.0 General Office Plant: Corporate Support, Centralized Operations Support and Billing & Payment Processing

GSWC's General Office is broken out into three separate functions: Corporate Support, Centralized Operations Support Department, and Billing and Payment Processing.

11.1 Contingency: (General Office)

GSWC's Request and DRA's Position:

GSWC requested a capital budget contingency rate of 10% for the General Office capital projects. Contingency is used to fund cost overruns on budgeted projects and to fund unexpected or emergency projects and/or repairs.

Contingency is used for estimating purposes only. GSWC will record the actual cost incurred in Rate Base for all capital projects whether they are higher or lower than forecasted.

DRA recommends using 2.5% contingency for GO capital projects.

Resolution:

The Parties agree to use a 2.5% contingency rate for GO capital projects in 2012 and 2013, and a 5% contingency rate for GO capital projects in 2014.

11.2 General Office Plant Additions

GSWC's Request and DRA's Position:

GSWC and DRA have resolved the following differences regarding plant additions in GSWC's General Office. The stipulated items shown in the following table reflect the overhead rate of 22% set forth in Plant Section 3.3, a contingency rate of 2.5% in 2012 and 2013, and 5% in 2014 as set forth in Section 11.1. DRA and GSWC also agreed that it is reasonable to include overhead and to remove 2.5% contingency for the 2011 Corporate Support capital project for Window Replacement as listed below.

Corporate Support Capital Projects in Year 2011

GSWC requested an overall amount of $3,924,100 for its Corporate Support related capital expenditures in 2011, whereas DRA recommends an amount of $2,543,809. Following are the details:

Facility: General Office Remediation

GSWC requested $2,327,260 plus overhead and contingency for the remediation of the GO building. To encourage GSWC to continue to pursue insurance proceeds, DRA recommended the approval of this request with a 50% reduction.

Resolution:

DRA reviewed the work papers, invoices and discovery responses pertaining to this project and agreed to include the project with a total cost including overhead of $2,327,260. See Item 29 in Section 18.3.

Facility: General Office Window Replacement

GSWC requested $75,500 plus overhead and contingency for the window replacements. DRA recommended the approval of this request, $61,594, without overhead and contingency.

Resolution:

DRA reviewed the work papers, invoices and discovery responses pertaining to this project and agreed to include the project with a total cost including overhead of $73,900.

The Parties agree to the General Plant Additions as set forth below:

Table 11.1
2011 Corporate Support Plant Additions

Description	Department	GSWC	DRA	Stipulation
General Office Remediation	Facility	$2,327,260	$1,006,715	$2,327,260
General Office Window Replacement	Facility	$ 75,500	$ 61,594	$ 73,900

Corporate Support Capital Projects in Year 2012

GSWC requested an overall amount of $2,059,500 for its Corporate Support related capital expenditures in 2012. DRA recommended an amount of $1,688,500. DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following are the details:

Information Technology: Microsoft Office Annual True-up

GSWC requested $256,100 for the Microsoft Office Annual True-up. DRA recommended the approval of this request with a reduction of $50,000 as unsupported.

Resolution:

GSWC obtained an updated quote based on actual headcount. DRA

reviewed work papers and agreed to include the project with a total including overhead of $250,600.

Information Technology: Replacement of Stellent Phase 1 of 2

GSWC requested $177,000 for the Replacement of Stellent Phase 1 of 2. DRA recommended the approval of this request with a reduction of $54,000 for the removal of consulting fees relating to implementation modifications.

Resolution:

DRA agreed to total project costs of $183,000 including overhead. As part of this agreement, GSWC agreed to capitalize 90% of the new ERP Developer's salary. See Section 13.17.

Risk Management: Voice Data and Network Cabling Upgrade – Phase 1 of 2

GSWC requested $95,800 for the voice data upgrade project. DRA recommended the approval of this request with a reduction of $4,800, based on the amount stated in the quote that GSWC obtained from the vendor.

Resolution:

GSWC agreed with DRA's adjustment. DRA agreed to include a total of $93,900 including overhead.

Risk Management: Emergency Storage – EQ Storage w/HVAC

GSWC requested $38,300 for the emergency storage project. DRA recommended the removal of the project stating GSWC had adequate storage space in its existing GO building.

Resolution:

DRA reviewed the work papers, invoices and discovery responses

pertaining to this project and agreed to include the project with a total cost including overhead of $27,400.

Risk Management: Parking Lot Resurface and Striping

GSWC requested $132,000 for the front and rear parking lot resurface and striping project. DRA recommended the approval of this request with the removal of the front parking lot in the amount of $59,200 and stated their observation of the front parking lot was that the condition of it was adequate for the purpose intended.

Resolution:

GSWC agreed with DRA's adjustment. DRA agreed to include a total including overhead of $75,000 for the front parking lot.

The Parties agree to the General Plant Additions as set forth below:

Table 11.2
2012 Corporate Support Plant Additions

Description	Department	GSWC	DRA	Stipulation
Microsoft Office Annual True-up	Information Technology	$ 256,100	$ 197,100	$ 250,600
Replacement of Stellent Phase 1	Information Technology	$ 177,000	$ 113,300	$ 183,000
Voice Data and Network Cabling Upgrade - Phase 1	Risk Management	$ 95,800	$ 91,000	$ 93,900
Emergency Storage - EQ Storage w/ HVAC	Risk Management	$ 38,300	$ -	$ 27,400
Parking Lot Resurface and Striping	Risk Management	$ 132,000	$ 72,800	$ 75,000

Corporate Support Capital Projects in Year 2013

GSWC requested an overall amount of $2,690,300 for its Corporate Support related capital expenditures in 2013. DRA recommended an

amount of $2,480,400. DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following are the details:

Information Technology: Replacement of Stellent Phase 2 of 2

GSWC requested $58,600 for the Replacement of Stellent Phase 2 of 2. DRA recommended the approval of this request with a reduction of $18,000 for the removal of consulting fees relating to implementation modifications.

Resolution:

DRA agreed to total project costs of $61,000 including overhead. As part of this agreement, GSWC agreed to capitalize 90% of the new ERP Developer's salary. See Section 13.17

Risk Management – Voice Data and Network Cabling Upgrade – Phase 2 of 2

GSWC requested $95,200 for the voice data upgrade project. DRA recommended the approval of this request with a reduction of $4,700, based on the amount stated in the quote that GSWC obtained from the vendor.

Resolution:

GSWC agreed with DRA's adjustment. DRA agreed to include $93,900 including overhead.

The Parties agree to the General Plant Additions as set forth below:

Table 11.3 2013 Corporate Support Plant Additions				
DESCRIPTION	**DEPARTMENT**	**GSWC**	**DRA**	**Stipulation**
Replacement of Stellent Phase 2	Information Technology	$ 58,600	$ 37,500	$ 61,000
Voice Data and Network Cabling Upgrade - Phase 2	Risk Management	$ 95,200	$ 90,500	$ 93,900

Corporate Support Capital Projects in Year 2014

GSWC requested an overall amount of $3,464,100 for its Corporate Support related capital expenditures in 2014. DRA recommended an amount of $2,703,600. DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following are the details:

Mobile Service Order Dispatch (MSOD)

GSWC requested $511,500 for the MSOD project. DRA recommended the removal of the project stating that GSWC had not selected hardware it intends to use in the implementation.

Resolution:

GSWC agreed to remove the project from this proceeding.

The Parties agree to the General Plant Additions as set forth below:

Table 11.4 2014 Corporate Support Plant Additions				
Description	**Department**	**GSWC**	**DRA**	**Stipulation**
Mobile Service Order Dispatch ("MSOD")	Information Technology	$ 511,500	$ 0	$ 0

Centralized Operations Support Capital Projects in Year 2012

GSWC requested an overall amount of $1,021,500 for its COPS related capital expenditures in 2012. DRA recommended an amount of $928,300.

DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following are the details:

Customer Service Center: Teleworker Station

GSWC requested $10,200 for a teleworker station. DRA recommended the removal of the project because (1) GSWC did not request additional CSR positions, and (2) to accord with their recommendation to remove two CSR positions due to the sale of CCWC; see Section 12.3.

Resolution:

GSWC agreed with DRA's adjustment for the year 2012.

Planning: Arc Info License

GSWC requested $25,300 for two arc info licenses. DRA recommended the approval of this request with the costs associated with one license, $12,600, as a result of a discrepancy in GSWC's testimony.

Resolution:

DRA reviewed the work papers pertaining to this project and agreed to include the project with a total cost including overhead of $26,100.

The Parties agree to the General Plant Additions as set forth below:

Table 11.5
2012 COPS Plant Additions

Description	Department	GSWC	DRA	Stipulation
Teleworker Workstation	Customer Service Center	$ 10,200	$ 0	$ 0
ArcInfo License	Planning	$ 25,300	$ 12,600	$ 26,100

Centralized Operations Support Capital Projects in Year 2013

GSWC requested an overall amount of $361,800 for its COPS related capital expenditures in 2013. DRA recommended an amount of $229,900. DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following are the details:

Administrative Support: Automatic Vehicle Location System (AVLS)

GSWC requested $89,200 for the AVLS project. DRA recommended the removal of the project stating that the system is an additional, redundant layer of security for GSWC's vehicles.

Resolution:

DRA reviewed the work papers and discovery responses pertaining to this project and agreed to include the project with a total cost including overhead of $92,500.

Customer Service Center: Teleworker Station

GSWC requested $10,100 for a teleworker station. DRA recommended the removal of the project because (1) GSWC did not request additional CSR positions, and (2) to accord with their recommendation to remove two CSR positions due to the sale of CCWC; see Section 12.3.

Resolution:

After agreeing not to remove the CSR positions in the CSC, DRA agreed to include the project with a total cost including overhead of $10,500.

Plan Storage Bins

GSWC requested $15,900 for the plan storage bins project. DRA recommended the approval of this request with a reduction reflecting the manufactured suggested retail price on the vendor quote for a total of $11,200.

Resolution:

GSWC obtained an updated quote. DRA reviewed work papers and agreed to include the project with a total cost including overhead of $13,200.

Planning: Arc View Network License Subscription Renewal

GSWC requested $2,500 for the renewal of arc info licenses. DRA recommended the approval of this request reducing the amount to $1,500, plus overhead, based on the vendor quote.

Resolution:

GSWC agreed with DRA's adjustment. DRA agreed to include $2,000 including overhead.

The Parties agree to the General Plant Additions as set forth below:

Table 11.6
2013 COPS Plant Additions

DESCRIPTION	DEPARTMENT	GSWC	DRA	Stipulation
Automatic Vehicle Location System ("AVLS")	Administrative Support	$ 89,200	$ 0	$ 92,500
Teleworker Workstation	Customer Service Center	$ 10,100	$ 0	$ 10,500
Plan Storage Bins	Engineering Design	$ 15,900	$ 11,200	$ 13,200
Arc View Network License Subscription Renewal	Planning	$ 2,500	$ 1,900	$ 2,000

Centralized Operations Support Capital Projects in Year 2014

GSWC requested an overall amount of $311,700 for its COPS related capital expenditures in 2014. DRA recommended an amount of $280,100. DRA's recommended balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1. Following

are the details:

Customer Service Center: Teleworker Station

GSWC requested $10,100 for a teleworker station. DRA recommended the removal of the project because (1) GSWC did not request additional CSR positions, and (2) to accord with their recommendation to remove two CSR positions due to the sale of CCWC; see Section 12.3.

Resolution:

After agreeing not to remove the CSR positions in the CSC, DRA agreed to include the project with a total cost including overhead of $10,500.

The Parties agree to the General Plant Additions as set forth below:

Table 11.7
2014 COPS Plant Additions

Description	Department	GSWC	DRA	Stipulation
Teleworker Workstation	Customer Service Center	$ 10,100	$ 0	$ 10,500

Billing & Payment Processing Capital Projects in Years 2012-2014

GSWC requested an overall amount of $1,036,200 in 2012, $414,800 in 2013 and $414,200 in 2014 for its B&P related capital expenditures. DRA recommended an amount of $965,600 in 2012, $386,500 in 2013 and $385,900 in 2014. DRA recommended the approval of the projects as listed in GSWC's workpapers. The balance includes the impact of the recommended revision to the contingency rate as discussed in Section 11.1.

11.3 Details of General Office Capital Budgets

The parties' positions are discussed above in Section 11.1 and 11.2.

Resolution:

Appendix B, attached, sets forth the details of the General Office capital budgets. As such, the Parties agree to substitute the amounts requested for GO in A.11-07-017 with the following figures:

Table 11.8
2012 - 2014 General Office Plant Additions

General Office	2012	2013	2014	Total
Corporate Support	$ 1,886,100	$ 2,589,200	$ 2,879,000	$ 7,354,248
Centralized Operations Support	$ 970,700	$ 346,000	$ 309,000	$ 1,625,730
Billing & Cash Processing	$ 996,900	$ 401,000	$ 410,800	$ 1,808,655
Total GO Plant Additions				$10,788,600

11.4 General Office Construction Work in Progress

GSWC's Request and DRA's Position:

GSWC forecasted an amount of Construction Work in Progress ("CWIP") to be closed in 2012 of $18,294.931 for Billing & Cash Processing, $475,451 for Central Operations Support, and $7,030,857 for Corporate Support totaling $25,801,238. This amount includes monies spent through March 2011 on pre-2012 projects and the remaining costs to complete these projects. DRA agrees that it is reasonable to include $25,801,238 in CWIP to be closed in 2012. DRA did not dispute GSWC's request.

Resolution:

The Parties agree to the General Office CWIP, as set forth in the attached Appendix C showing the details of the General Office CWIP.

11.5 Depreciation Accrual Rates

GSWC's Request and DRA's Position:

GSWC and DRA utilized the same methodology and depreciation accrual rates to forecast plant depreciation.

Resolution:

The Parties agree to the composite depreciation rates as follows:

Table 11.9
Depreciation Accrual Rates

Operating Area	Composite Depreciation Rate %
General Office	4.80%
General Office (COPS)	10.79%
Billing and Cash Processing	10.79%

12.0 General Office Allocation

12.1 Structure of the Allocation of Costs to ASUS

GSWC's Request and DRA's Position:

For purposes of allocating the General Office costs, GSWC separated the GO into three separate categories or functional areas: (1) Corporate Support; (2) Centralized Operations Support Department; and (3) Billing and Cash Processing. DRA agreed with this approach.

Resolution:

The Parties agree the Corporate Support category, which includes Executive, Internal Audit, Accounting and Finance, Risk Services, Information Technology, and Human Capital Management provide services to GSWC's water operations, Bear Valley Electric ("BVE") operations, and its affiliate American States Utility Services Inc. ("ASUS"). Therefore, the costs recorded in these cost centers are allocated to all three entities.

The Parties agree COPS, which includes Asset Management, Regulatory Affairs, Customers Support Services, and Environmental Quality functions provide services exclusively to the water operations. Thus, none of the costs recorded in these costs centers are charged to Bear Valley Electric operations or ASUS.

The Parties further agree B&P, which consists of the Vice President of Regulatory Affairs, the IT Customer Information System, and the Water Utility Specific Applications, including the new Customer Care and Billing System and PowerPlan system, the Call Center billing department, and the Cash Processing department does not provide services to ASUS. Therefore, the costs recorded in these Cost Centers are allocated to GSWC's water operations and to BVE as both of these areas are provided services from these functions.

The Parties also agree that ASUS and its employees, as well as its subsidiaries and employees, do not use or have access to the new Customer Care and Billing System or the PowerPlan system. Therefore, it is reasonable to include these systems and the associated plant and costs in the B&P function for purposes of allocating the associated costs.

DRA recommended that forecasted costs associated with water association membership dues be moved from the COPS function to the Corporate Support function. After discussions regarding the benefits received from the memberships, the fact that the revenue based fees associated with the membership dues do not include ASUS revenues, and that ASUS pays for its own memberships in American Water Works Association and the Water Environment Federation, GSWC and DRA agree that forecasted costs associated with water association membership dues should remain in the COPS function and be allocated only to GSWC's water operations.

The Parties also agree that the following four categories should be used in the four factor calculation: (1) gross plant; (2) operating expenses; (3) number of customers; and (4) employee salaries and wages (payroll). These four categories are consistent with the Commission's 1956 Memo on the four-factor allocation.

12.2 Allocation of Corporate Support Function

GSWC's Request and DRA's Position:

With regard to the allocation of the Corporate Support function, GSWC requested an allocation rate of 9.19% to its affiliate ASUS in connection with the use of GSWC's regulated assets for the non-regulated businesses, whereas DRA recommends an allocation rate of 13.69%.

Resolution:

The Parties agree that the allocation rate of the Corporate Support function shall be 11.75% to GSWC's affiliate ASUS, 10.55% to BVES and 77.70% to GSWC Water Operations. The Parties also agree that the allocation rate of the Centralized Operations Support function shall be 11.95% to BVES and 88.05% to GSWC Water Operations. The allocation within GSWC Water Operations shall be based on the "Equivalent Number of Customers".

12.3 Sale of Chaparral City Water Company ("CCWC") Operations and Impact on GO Costs

GSWC's Request and DRA's Position:

In 2011, AWR sold the CCWC operations. As a result, GSWC no longer provides any services or support to CCWC and GO costs are no longer being allocated to the CCWC operations in this case.

In D. 10-11-035, the prior GO GRC, CCWC was allocated 3.86% of the costs from the cost centers that went to all areas, including ASUS.

Prior to the sale, GSWC provided certain services and/or support to CCWC, including the postage associated with mailing CCWC's customer bills.

DRA recommended several adjustments to reduce costs associated with the prior provision of services to CCWC. These included adjustments in the areas of postage expense and the number of customer service representatives that are needed on a going-forward and post-CCWC sale basis. DRA recommended that two temporary customer service representatives be removed.

To recognize probable decrease in future costs that should result from of the sale of CCWC, TURN, proposed to reduce the cost escalation factor applied to certain non-labor General Office costs by 3.5 percent. This adjustment reduced projected expenses in 2013, 2014 and 2015 by $330,200, $342,000 and $352,200, respectively.

Resolution:
The Parties agree that as a result of GSWC's sale of CCWC, the Corporate Support Office Supplies shall be reduced by $75,000, and Corporate Support Office Postage shall be reduced by $76,200 escalated. The Parties also agree that the number of customer service representatives incorporated in GSWC's filing will not be adjusted in this case.

13.0 General Office Revenues and Expenses: Corporate Support, Centralized Operations Support and Billing & Payment Processing

13.1 Expense Forecast

GSWC's Request and DRA's Position:

The Rate Case Plan (D. 07-05-062) requires that for general office expenses, while allowing for different forecasting methodologies, a utility must also present an inflation adjusted simple five-year average for all administrative and O&M expense, with certain exceptions. GSWC's GO work papers reflect both the inflation adjusted three-year and five-year averages of its historical administrative and O&M expenses.

As discussed above, GSWC's General Office of GSWC is broken out into three separate functions: Corporate Support, Centralized Operations Support Department, and Billing and Payment Processing.

As part of a corporate reorganization, GSWC created the Centralized Operations Support Department in 2007 and eliminated its regional offices. Thereafter, GSWC began direct charging employee benefit expenses to the Customer Service Areas ("CSA") in which the employees receiving such benefits worked.

Resolution:

The Parties agree that, as a result of the creation of COPS and the practice of direct charging employee benefit expenses to the CSAs, a significant portion of GSWC's 2006 and 2007 historical are not reflective of the costs that will be recorded in these accounts in the future, therefore, the use of an adjusted three-year average of administrative and O&M expenses is more representative of costs expected to be incurred going forward for purposes of this general rate case.

The Parties agree that, except where noted, the use of an adjusted three-year average is reasonable.

The Parties also agree that the escalation factors used in this case should be updated at a later date based on more recent factors. The update in the escalation factors is addressed in Section 16.

13.2 Other Revenues

GSWC's Request and DRA's Position:

Other Revenues consist of revenues from billing for services provided by other entities, rebates from purchase cards, and others miscellaneous credits.

GSWC's forecast for 2013 through 2015 is the result of escalating the 2010 recorded revenues.

DRA did not contest the amounts projected by GSWC for other revenues.

Resolution:

The Parties agree to the following ($ in thousands):

Table 13.1
Other Revenues

Other Revenues	GSWC	DRA	Stipulated
Corporate Support	$237.2	$237.2	$237.2
COPS	$0	$0	$0
B&P	$0	$0	$0
Total GO	$237.2	$237.2	$237.2

13.3 Common Customer Account Expense

GSWC's Request and DRA's Position:

GSWC's common customer account expense category includes three separate accounts: common customer account, postage, and operation labor.

GSWC's proposed Common Customer expense is based on inflation adjusted three-year average.

DRA did not contest the amounts projected by GSWC for this account.

Resolution:

The Parties agree to the following estimates of Common Customer Account Expense ($ in thousands):

Table 13.2 Common Customer Account Expense			
Common Customer Account	GSWC	DRA	Stipulated
Corporate Support	$0	$0	$0
COPS	$0	$0	$0
B&P	$118.8	$118.8	$118.8
Total GO	$ 118.8	$118.8	$118.8

13.4 Postage

GSWC's Request and DRA's Position:

GSWC's requested postage amount was derived based on the average number of bills mailed in 2010 and increased for customer growth. In addition, GSWC's projected B&P postage expense reflects switching from bi-monthly billing to monthly billing for the following CSA's: Arden Cordova, Los Osos, Ojai, Simi Valley (all in Region 1); Southwest, Central Basin East, Central Basin West and Culver City (all in Region 2); as well as Claremont, Orange County, San Gabriel and Barstow (all in Region 3).

DRA recommended that customers currently on bi-monthly billing remain on bi-monthly billing throughout this rate case cycle. As a result, DRA recommends that GSWC's projected postage expense reflect that customers in CSA's who currently receive their bills on a bi-monthly billing basis continue to do so, including Arden Cordova, Los Osos, Ojai and Simi Valley in Region 1 and Orange County, Barstow and San Gabriel in Region 3.

DRA's second recommended adjustment to postage expense relates to the sale of CCWC's operations in 2011, as discussed in Section 12 of this report.

As discussed above, as a result of the sales of CCWC, GSWC, DRA and TURN agreed to reduce postage costs at the Corporate Support level. Furthermore, GSWC and DRA agreed that GSWC would not switch Arden Cordova, Los Osos, Ojai and Simi Valley in Region 1, and Orange County, Barstow, and San Gabriel in Region 3, from bi-monthly billing to monthly billing and reduce B&P postage accordingly.

Resolution:

The Parties agree to postage expense for the GO as set forth below ($ in thousands:

Table 13.3
Postage Expense

Postage	GSWC	DRA	Stipulated
Corporate Support	$310.8	$227.1	$ 227.1
COPS	$0	$0	$0
B&P	$1,239.8	$ 954.0	$978.8
Total GO	$1,550.6	$1,181.1	$1,205.9

13.5 All Other Operating Expenses

GSWC's Request and DRA's Position:

GSWC request is based on escalating the three-year average using the Estimates of Non-Labor and Wage Escalation Rates.

DRA does not contest the amounts projected for this account under the B&P function.

Resolution:

The Parties agree to the All Other Operating Expenses as set forth in the table below ($ in thousands):

Table 13.4 All Other Operating Expenses			
All Other Operating Expenses	GSWC	DRA	Stipulated
Corporate Support	$0.2	$0.2	$0.2
COPS	$631.5	$631.5	$631.5
B&P	$0	$0	$0
Total GO	$631.7	$631.7	$631.7

13.6 Office Supplies & Expense

GSWC's Request and DRA's Position:

GSWC's request is based on escalating the three-year average using the Estimates of Non-Labor and Wage Escalation Rates.

DRA initially recommended the 2008 amount for the line item "Veh Cmpy A&G Total" for Corporate Support be reduced to $8,325 ($224,842 - $216,517), because DRA viewed the write-off of this clearing account to have been a non-recurring event.

DRA initially disagreed with GSWC's contention that regional headquarters costs were used to forecast COPS costs in A.08-07-010 and, therefore, DRA recommended removing $433,406, $233,807 and $136,872 in 2008, 2009 and 2010, respectively, from the forecasted amounts for COPS related Office Supplies and Expense.

After discussing the line item "Veh Cmpy A&G Total" for Corporate Support and after reviewing supporting documentation, GSWC and DRA agreed this was not a non-recurring event and no adjustment to GSWC's

request was warranted. GSWC and DRA also discussed the costs recorded in regional headquarters and agreed that these costs were appropriately used and should be included in the forecasted amounts for COPS related Office Supplies and Expense.

However, as discussed above, as the result of the sale of CCWC, GSWC, DRA and TURN agreed to reduce Corporate Support Office Supplies by $75,000.

Resolution:

The Parties agree to the Office Supplies & Expenses for the GO as set forth below ($ in thousands):

Table 13.5
Office Supplies & Expenses

Office Supplies & Expenses	GSWC	DRA	Stipulated
Corporate Support	$2,259.6	$2,177.4	$2,184.6
COPS	$1,347.7	$1,048.3	$1,347.7
B&P	$13.6	$13.6	$13.6
Total GO	$3,620.9	$3,239.3	$3,545.9

13.7 Property Insurance Expense

GSWC's Request and DRA's Position:

The cost of the property insurance expense is included in the filing at the COPS level as it is for the water operations only.

In projecting the costs, GSWC began with the water operation specific property insurance costs for the policy that is effective for the period October 1, 2010 through February 1, 2012. As the policy covered a sixteen month period, a ratio of 12/16th was applied to derive the annual costs. After application of the 80.7% expense factor, the Company then, based on projections provided from its broker, projected that the costs would increase by 20% in 2012 and 20% in 2013.

DRA recommended lower property insurance costs based on its projection that the costs for property insurance would increase by the CPI-U escalation factor in 2012 and 2013.

Resolution:

The Parties agree that Property Insurance Expenses shall be calculated based on the 2012 property insurance renewal escalated by 5% to arrive at the 2013 test year amount ($ in thousands).

Table 13.6 Property Insurance Expense			
Property Insurance	GSWC	DRA	Stipulated
Corporate Support	$0	$0	$0
COPS	$477.8	$356.1	$373.7
B&P	$0	$0	$0
Total GO	$477.8	$356.1	$373.7

13.8 Injuries & Damages Expense

GSWC's Request and DRA's Position:

The Injuries and Damages expenses are essentially broken down into three groups of costs in GSWC's work papers. The first group includes costs for auto liability insurance, which is allocated to the operations through the COPS department. This is because the auto liability insurance is billed separately for ASUS's operations. The second group is charged through the GO Corporate Support and includes costs for Directors and Officers Liability Insurance (regular and excess), fiduciary liability insurance, crime insurance, employment practice liability insurance, AON broker administration fees, and Letters of Credit for auto. Costs included in this second group are allocated entirely via the General Office – Corporate Support allocations through the application of the four- factor. The third group of costs is direct charged to the various regions and operations and includes the following costs: umbrella liability insurance, excess liability

insurance, general liability insurance, mold insurance, professional liability, general liability loss reserve, excess workers compensation, workers compensation (loss reserve), self-insured fees, York claims management fee, and DM&A administration fees. GSWC allocated this third group of costs based on the amount direct charged to the various operations in 2010 on GSWC's books.

In projecting the test year costs for the various insurance policies GSWC assumed the following escalations (provided by its broker), by policy type:

Table 13.7 GSWC's Projected Injuries & Damages Expense		
Injuries and Damages	2012	2013
Primary Casualty	8%	10%
Auto	8%	12%
Umbrella	10%	12%
Excess Casualty	10%	10%
Excess Workers' Comp	10%	15%
Directors and Officers	5%	10%
Employment Practices	5%	10%
Crime	5%	10%

DRA projected that the costs for these insurance policies would increase by a lesser amount, based on the CPI-U escalation factor in 2012 and 2013.

Resolution:

The Parties agree to the following amounts for Injuries and Damages Expense for the 2013 test year ($ in thousands).

Table 13.8 Injuries & Damages Expense			
Injuries and Damages	GSWC	DRA	Stipulated
Corporate Support	$838.6	$711.3	$786.4
COPS	$384.2	$360.1	$343.5
B&P	$41.4	$39.5	$36.4
Total GO	$1,264.2	$1,110.9	$1,166.3

13.9 Pension & Benefits

GSWC's Request and DRA's Position:

The pension and benefit costs for GSWC include the costs associated with each of the following: employee training costs; annual incentive bonuses; restricted stock units; discretionary bonuses; employee relocation costs; other travel, meals and safety; miscellaneous employee benefits; 401K employer contribution; group benefits including medical, dental and vision; pensions; Supplemental Executive Retirement Plan ("SERP"); postretirement medical benefit plan ("VEBA"); and the new defined contribution plan.

DRA found the actuarial projections presented in GSWC's filing for each of these plans to be reasonable and agreed with the amounts included in GSWC's filing for pension expense, VEBA, and the defined contribution retirement plan.

DRA also agreed that pension costs to be included in rates should be based on the SFAS No. 87 calculation for pension expense and not the ERISA minimum funding amounts.

However, DRA recommended the following adjustments:

- GSWC's proposed medical insurance escalation factors should be reduced to 8.25% per year.

- GSWC's proposed dental PPO plan escalation factor should be reduced to 5.5% per year and the proposed dental HMO plan escalation factor should be reduced to 5% per year.
- Projected employee relocation expense reflected in Corporate Support and Centralized Operations Support should be removed.
- DRA recommends that the Restricted Stock Unit expense should be removed and funded by shareholders.
- The annual incentive bonus for management level positions should be recalculated based on the most recent 3-year average payout level instead of the targeted payout level.
- DRA recommends that the requested $170,000 annual increase in discretionary bonuses be reduced by 50%.
- DRA recommends that 50% of the projected annual SERP expense be funded by shareholders.

In addition, TURN recommended the following adjustments:

- That the Short-Term Incentive Plan ("STIP") for Officers, the STIP for Managers and Directors, the Stock Incentive Plan and the Discretionary Bonus Program be corrected to properly reflect only the expense portion of these plans. GSWC agreed in its rebuttal that the application of the expense factor needed to be corrected.
- 50 percent of the annual expense for the STIP for Officers not be recovered from ratepayers.
- 100 percent of the costs of the Stock Incentive Plan be excluded from rate recovery.
- Reduce the expense included for the STIP for Managers and Directors to 75 percent of GSWC's request to reflect the historical level of payouts.

<u>Resolution:</u>

The Parties agree to the following:

- The STIP for Officers, the STIP for Managers and Directors, the Stock Incentive Plan, and the Discretionary Bonus Program, to the degree included, shall properly reflect only the expense portion of these plans.
- As discussed in Section 18.4, in lieu of escalation, a specific employee health care expense shall be used for 2014 and 2015 in the escalation and attrition filings. The amounts for employee health care expense are based on DRA's recommended level, increased for the Region 2 fluoridation employees and agreed to by the Parties.
- The projected employee relocation expense reflected in Corporate Support and Centralized Operations Support should be reduced to $20,000 per year.
- $600,000 of the total expense portion for Restricted Stock Units, SERP and STIP for Officers should be removed from rates and funded by shareholders.
- The annual incentive bonus for management level positions should be based on the most recent estimated three-year average payout level of 8.5%.
- Pension and Benefits costs are set forth in the table below ($ in thousands).

Table 13.9
Pension and Benefits Expense

Pension and Benefits	GSWC	DRA	Stipulated
Corporate Support	$5,940.6	$4,730.3	$5,272.1
COPS	$3,629.6	$2,637.0	$2,795.4
B&P	$561.1	$507.5	$507.5
Total GO	$10,131.3	$7,874.8	$8,575.0

13.10 Business Meals

GSWC's Request and DRA's Position:

GSWC's request for Business Meal expenses was projected based on an adjusted three-year average escalated using the Estimates of non-Labor and Wage Escalation Rates memorandum.

DRA did not contest the amounts projected by GSWC for this account.

Resolution:

The Parties agree to the Business Meals expenses listed in the table below ($ in thousands):

Table 13.10
Business Meals Expense

Business Meals	GSWC	DRA	Stipulated
Corporate Support	$45.8	$45.8	$45.8
COPS	$53.1	$53.1	$53.1
B&P	$4.6	$4.6	$4.6
Total GO	$103.5	$103.5	$103.5

13.11 Regulatory Expenses

GSWC's Request and DRA's Position:

GSWC treats Regulatory Expenses as Deferred Rate Case Expense as outlined in the CPUC Uniform System of Accounts for Accounts 146 and 797 and affirmed in D.10-11-035[6]. It is DRA's position that rates are set prospectively based on estimates of costs to be incurred by regulated water utilities over the term of the three-year rate cycle. GSWC and DRA agreed not to litigate methodologies regarding the ratemaking treatment of

[6] D.11-11-035 pages 48-49

Regulatory Expense in this proceeding and agreed on the amount of regulatory expenses for setting rates in this proceeding.

GSWC's regulatory expenses do not benefit the non-regulated operations of ASUS, therefore, GSWC has flowed its regulatory expenses through the COPS Department so that such costs are only allocated to the GSWC's water operations.

DRA recommended a reduction in legal costs projected by GSWC by removing $75,000 related to the Santa Maria Water Rights Litigation, and $450,000 from GSWC's estimate of outside consultant costs.

Resolution:

The Parties agree to reduce GSWC's forecast of Regulatory Expenses by $300,000 in total or $100,000 annually. The resulting agreed upon annual expenses are shown below ($ in thousands):

Table 13.11
Regulatory Expenses

Regulatory Expenses	GSWC	DRA	Stipulated
Corporate Support	$0	$0	$0
COPS	$1,221.4	$1,046.4	$1,121.4
B&P	$0	$0	$0
Total GO	$1,221.4	$1,046.4	$1,121.4

13.12 Outside Services

GSWC's Request and DRA's Position:

GSWC's request for Outside Services is based on an adjusted three-year average and escalated using the Non-Labor and Wage Escalation Rate memorandum adjusted for non-recurring legal costs.

DRA recommended several additional adjustments to the outside service expenses/legal expenses in GSWC's Corporate Support function incurred during 2008, 2009, and 2010, prior to the application of the escalation factors.

DRA first recommended the removal of $310,100 paid to Deloitte in 2010 to assist with the review of a potential acquisition.

DRA also recommended that all the outside legal costs incurred by GSWC during 2008, 2009, and 2010 associated with the Sutter Point Certificate of Public Convenience and Necessity ("CPCN") Application be removed in determining the escalated average legal expenses. DRA recommended that Outside Services legal fees should be reduced by $101,818 in 2008, $262,416 in 2009, and $76,097 in 2010, prior to determining the escalated average legal costs.

DRA further recommended outside services costs be reduced by $176,795 in 2009, and $21,450 in 2010, related to consulting fees paid to a retired employee prior to determining the escalated average costs. DRA recommended the costs be removed based on the matters the consulting services addressed and because the costs are non-recurring.

DRA did not contest the amounts projected by GSWC for COPS and B&P related outside services expense.

Resolution:

The Parties agree that 50% of the fees paid to Deloitte in connection with the review of a potential acquisition be removed from the historical data; that costs related to Sutter Point CPCN be removed in determining the escalated average legal expenses; and that consulting fees paid to a retired employee be removed in determining the escalated average legal expenses.

In addition, as noted in Section 8.5, the Parties agree that GSWC will increase its test year Outside Services for its General Office function by $300,000 to cover implementation costs and, as noted in Section 15, TURN, DRA, and GSWC agree to increase the annual total company expenses for GO Outside Services in this GRC by $25,000 to cover half of the expected costs associated with the survey. The Parties agree to the resulting Outside Services annual budgets shown in the table below ($ in thousands):

Table 13.12 **Outside Services Expense**			
Outside Services	GSWC	DRA	Stipulated
Corporate Support	$4,433.9	$4,081.6	$4,439.1
COPS	$1,553.1	$1,553.1	$1,578.1
B&P	$387.1	$387.1	$387.1
Total GO	$6,374.1	$6,021.8	$6,404.3

13.13 Miscellaneous Expenses

GSWC's Request and DRA's Position:

GSWC's request for Miscellaneous Expenses is based on escalating the three-year average using DRA's most recent "Estimates of Non-Labor and Wage Escalation Rates" memorandum after adjusting for memberships in water associations that only benefit water operations that were historically recorded in Corporate Support but are appropriately forecast as a Centralized Operations Support cost and the costs associated with the addition of two additional Board Members.

DRA disagreed with GSWC's adjustment for memberships in water associations and shifted membership dues paid to water associations back to Corporate Support.

The American States Water Co. ("AWR) shareholders approved expanding the range of eligible Board members by two Board members. GSWC included the cost associated with two additional directors in its forecast. As noted by DRA, at the time that DRA filed its report AWR had appointed only one new Board Member. DRA, therefore, recommended reducing GSWC's forecast for Miscellaneous Expense by associations.

DRA determined that approximately 21% percent of membership dues is related to lobbying activities in 2010. DRA recommended applying this percentage to GSWC's membership dues in order to remove the portion of such dues that were related to lobbying activities. DRA's position is that the 21% reflects a reasonable percentage of 2008 and 2009 membership dues that were related to lobbying activities. DRA's recommended adjustment reduces membership dues by $93,108 in 2008, $104,129 in 2009, and $91,715 in 2010.

DRA recommends removing $2,327 (2008), $1,890 (2009) and $1,321 (2010) related to "DIR Spouse Expenses Total" from the adjusted three-year average of Miscellaneous Expenses.

<u>Resolution:</u>

The Parties agree that GSWC's water association memberships are for the benefit of GSWC's water operations and, therefore, should be recorded in COPS; that AWR appointed two additional directors, therefore director fees increased; memberships should be reduced for GSWC's lobbying activities; and costs related to Director's Spouses should be removed. The Parties agree to the resulting annual Miscellaneous Expense budgets shown in the table below ($ in thousands):

Table 13.13 Miscellaneous Expenses			
Miscellaneous	GSWC	DRA	Stipulated
Corporate Support	$1,524.7	$1,869.7	$1,522.7
COPS	$593.4	$50.0	$486.7
B&P	$0	$0	$0
Total GO	$2,118.1	$1,919.7	$2,009.4

13.14 Maintenance of General Plant

GSWC's Request and DRA's Position:

GSWC's requested Maintenance of General Plant is based on the adjusted three-year average escalated using the Estimates of Non-Labor and Wage Escalation Rates memorandum adjusted for the outsourcing its bill print and mailing process, annual maintenance cost for GSWC's new customer care and billing ("CC&B") system partially offset the cancelation of the maintenance costs related to its current billing system, and additional maintenance costs on existing and proposed software and equipment.

The differences between GSWC's requested amounts for Maintenance of General Plant and DRA's recommended amounts are due to DRA's recommended removal of software maintenance expenses related to the MSOD and AVLS systems, which DRA is recommending be removed from GSWC's proposed capital projects.

DRA's total adjustments reduce Maintenance of General Plant for Corporate Support by $5,611 prior to the application of the escalation factors (MSOD - $2,303 plus AVLS -$3,308).

DRA's total adjustments reduce Maintenance of General Plant for COPS by $49,445 prior to the application of the escalation factors (MSOD - $16,915 plus AVLS - $32,530).

As discussed above, GSWC and DRA agreed to include AVLS in GSWC's Capital Budget but to remove MSOD from the GSWC's Capital Budget. Therefore software maintenance expenses related to AVLS should not be removed from GSWC's estimate.

Resolution:

The Parties agree to Maintenance of General Plant Expense annual budgets as set forth in the table below ($ in thousands).

Table 13.14
Maintenance of General Plant Expense

Maintenance of General Plant	GSWC	DRA	Stipulated
Corporate Support	$2,115.3	$2,109.7	$2,113.0
COPS	$406.2	$133.7	$133.7
B&P	$133.7	$354.1	$388.3
Total GO	$2,655.2	$2,597.5	$2,635.0

13.15 Rent Expense

GSWC's Request and DRA's Position:

GSWC's requested Rent Expense is based on the 2010 recorded rent and escalated using the Estimates of Non-Labor and Wage Escalation Rates memorandum

DRA did not contest the amounts projected by GSWC for this account.

Resolution:

The Parties agree to the Rent Expenses shown in the table below ($ in thousands):

Table 13.15 Rent Expense			
Rent	GSWC	DRA	Stipulated
Corporate Support	$33.0	$33.0	$33.0
COPS	$603.3	$603.3	$603.3
B&P	$0	$0	$0
Total GO	$636.3	$636.3	$636.3

13.16 A&G Capitalized

GSWC's Request and DRA's Position:

GSWC's A&G Capitalized amounts are comprised of 19.3% of Office Supplies & Expense, Outside Services Expense and Corporate Expenses.

DRA agreed with GSWC's methodology.

Resolution:

The Parties agree to the A&G Capitalized expenses shown below. These values have been updated to reflect the settled amounts for Office Supplies & Expense, Outside Services Expense and Corporate Expenses ($ in thousands).

Table 13.16 A&G Capitalized Expenses			
A&G Capitalized	GSWC	DRA	Stipulated
Corporate Support	($1,551.9)	($1,468.0)	($1,538.4)
COPS	($559.9)	($502.1)	($564.7)
B&P	($77.3)	($77.3)	($77.3)
Total GO	($2,189.1)	($2,047.4)	($2,180.4)

13.17 General Office Labor

GSWC's Request and DRA's Position:

GSWC's General Office forecast for total labor was based on its 2011 organizational structure of 254 positions and actual annual salaries. Within the 2011 organizational structure, GSWC requested seven administrative and accounting positions and four additional Water loss positions to be moved to the regions from the General Office; a new Enterprise Resource Planning ("ERP") Developer in IT department; a transfer of Water Quality Technician 3 from Orange County District (Region 3) to the Environmental Quality Department (in the General Office) as an Environmental Specialist; creation of a New Business Manager position and Department and outsource three (3) positions related to bill print and mailing process. Except for the new ERP Developer in IT, GSWC's request did not increase the authorized level of positions, but rather shifted some of the authorized positions to different functions and operations. GSWC used twelve month recorded ratios of expense to capital labor. GSWC then added inflation, overtime and, merit (equity) increases to this base to derive the forecast for the Test Year. Instead of removing vacant positions, GSWC applied an average vacancy factor to its labor analysis.

DRA's recommended that labor expense be adjusted for the following: (1) removal of actual vacant positions based on more recent information instead of application of a vacancy factor; (2) removal of the proposed 1% equity adjustments; (3) revision to the overtime rate to reflect a three-year average level; (4) revision the expense ratio of the new ERP Developer position in the IT department from 100% to 10%; and (5) removal of two temporary customer service representative positions.

Though the Parties agreed on labor costs, which include the cost of retaining the two temporary customer service representative positions, the Parties still disagree on GSWC's request for a 1% merit increase, but have agreed to not litigate that issue in this proceeding.

Resolution:

GSWC will have the discretion to hire the proposed positions they find the highest priority within the settled dollar amounts. The Parties agree that the General Office labor costs for the test year are reflected in the table below:

Table 13.17 General Office – Labor Expenses			
	GSWC	DRA	Stipulation
Billing and Payment			
- O&M	$ 205,500	$ 135,700	$ 200,500
- A&G	$ 968,390	$ 962,580	$ 946,810
CORPORATE SUPPORT			
- A&G	$ 8,193,550	$ 7,830,280	$ 7,948,940
COPS			
- O&M	$ 1,659,700	$ 1,526,400	$ 1,635,400
- A&G	$ 5,565,810	$ 5,477,570	$ 5,425,700
General Office - Total Labor	$16,592,950	$15,932,530	$16,157,350

13.18 Depreciation Expense

GSWC's Request and DRA's Position:

The differences between GSWC's requested amounts for Depreciation Expense and DRA's recommended amounts are due to the capital additions that DRA removed from GSWC's rate base. GSWC and DRA agree that Depreciation Expense should be updated to reflect the settled Capital Budget.

Resolution:

The Parties agree to Depreciation Expense for the test year as set forth in the table below ($ in thousands).

Table 13.18 Depreciation Expense			
Depreciation	GSWC	DRA	Stipulated
Corporate Support	$1,455.7	$1,418.3	$1,451.0
COPS	$706.9	$696.8	$701.4
B&P	$2,002.2	$2,002.2	$2,002.2
Total GO	$4,164.8	$4,117.3	$4,154.6

13.19 Local Taxes

GSWC's Request and DRA's Position:

GSWC calculated Local Taxes as a percentage of revenues and its projected Local Tax expense is based on a four-year average rate multiplied by the Other Revenues forecasted in this proceeding.

DRA did not contest GSWC's requested amounts.

Resolution:

The Parties agree to Local Taxes in the test year as set forth in the table below ($ in thousands0.

Table 13.19 Local Taxes Expense			
Local taxes	GSWC	DRA	Stipulated
Corporate Support	$ 4.2	$ 4.2	$ 4.2
COPS	$0	$0	$0
B&P	$0	$0	$0
Total GO	$ 4.2	$ 4.2	$ 4.2

13.20 Property Taxes

GSWC's Request and DRA's Position:

GSWC calculated Property Taxes as a percentage of plant in service and its projected Property Tax expense is based on an escalated five-year average rate multiplied by the GO plant in service including the capital additions requested in this proceeding.

DRA did not contest the method used by GSWC. GSWC and DRA agreed that Property Taxes should be updated to reflect the settled Capital Budget.

Resolution:

The Parties agree to Property Taxes in the test year as set forth in the table below ($ in thousands).

Table 13.20
Property Taxes Expense

Property Taxes	GSWC	DRA	Stipulated
Corporate Support	$132.6	$129.4	$132.2
COPS	$34.4	$34.1	$34.2
B&P	$78.1	$77.8	$77.9
Total GO	$245.1	$241.3	$244.4

13.21 Payroll Taxes

GSWC's Request and DRA's Position:

The differences between GSWC's requested amounts for payroll tax expense and DRA's recommended amounts are due to the adjustments made by DRA to GSWC's forecasted labor expense. GSWC and DRA agreed that Payroll Taxes should be updated to reflect the settled labor expenses.

Resolution:

The Parties agree that Payroll Taxes for the test year are set forth in the table below ($ in thousands).

Table 13.21 Payroll Taxes Expense			
Payroll Taxes	GSWC	DRA	Stipulated
Corporate Support	$674.5	$644.6	$652.4
COPS	$594.8	$576.6	$579.5
B&P	$96.6	$90.4	$94.2
Total GO	$1,365.9	$1,311.6	$1,326.1

14.0 Rate Design

GSWC's Request, DRA and TURN's Position:

GSWC did not propose any change to its rate design methodology or tier structure from what was previously adopted in Decision 10-11-035 for Regions 2 and 3 and Decision 10-12-059 for Region 1 with the exception of:

Adjusting the tier structure in Ojai as required by Decision 10-12-059 and

In all ratemaking areas, with the exception of Clearlake, reducing the revenues to be recovered through the service charge and increasing the revenues to be recovered through the quantity charge in order to meet the California Urban Water Conservation Council's Best Management Practice ("BMP") 1.4's threshold of 30% of revenues to recovered through the service charge and 70% of the revenues to be recovered through the quantity charge ("30/70").

For ratemaking areas that are currently at or surpass the 30/70 threshold, keep the proportion of revenue recovered through service charge and quantity charge as is.

In Ojai GSWC proposed to redesign the tier thresholds and rates for residential customers to be in line with its other Region 1 ratemaking

areas. Specifically, GSWC proposed to set Ojai residential customers' Tier 1 at 0 - 13 Ccf, Tier 2 at 14 – 25 Ccf and Tier 3 at 26 Ccf and above. GSWC proposed that the rate differential in Ojai between tiers be set at 15%, the same as other GSWC ratemaking areas with residential tier rates.

DRA agreed with GSWC's proposed rate design.

TURN opposed GSWC's rate design and introduced a new proposal as follows:

1. A 3 tier rate structure for all residential customers including Arden Cordova and Clearlake.

2. Setting rates for general meter customers to recover 30% of revenues through the service charge and 70% of revenues through quantity charge.

3. Setting the service charge for residential customers and non-residential customers the same under one general metered tariff.

4. Resetting Tier Rates as follows:
    a. With the exception of Ojai, setting the Tier 2 rate for residential customers equal to the non-residential customers' single quantity rate.
        i. In Ojai, setting the residential Tier 2 rate the same as the non-residential Tier 2 rate.
    b. With the exception of Ojai, setting the Tier 3 rate at 150% of the Tier 2 rate.

i. In Ojai setting the Tier 3 rate at 117% of the Tier 2 rate.

c. With the exception of Ojai, set the Tier 1 rate at 80-90% of the Tier 2 rate.

i. In Ojai setting the Tier 1 rate at 93% of the Tier 2 rate.

5. Setting new tier break points for all residential customers as follows:

a. Setting the Tier 1 break point at 0-8 Ccf for all residential customers.

b. Setting the Tier 3 break point to capture 15% of overall residential usage.

c. Setting the Tier 2 break point to capture the remaining usage (Total usage minus usage captured in Tier 1 and Tier 3).

Resolution:

The Parties agree that Rate Design shall be as follows:

1. GSWC's rate design for Ojai, Arden Cordova and Clearlake shall be adopted:

a. Residential and non-residential customers in Arden Cordova and Clearlake shall continue to share the same single quantity rate structure.

b. The Clearlake service charge shall be set to recover 50% of fixed costs in the Clearlake CSA.

c. The residential Tiers in Ojai shall be set as follows:

Table 14.1 Residential Tiers in Ojai CSA		
	Current Tiers	**Settled Tiers**
Tier 1	0 – 5 Ccf	0 – 13 Ccf
Tier 2	6 – 20 Ccf	14 – 25 Ccf
Tier 3	21 Ccf & up	26 Ccf & up
Rate Differential per Tier	NA[7]	15%

d. Non-Residential customers in Ojai shall maintain the current rate structure with rates set based on the current percentage of revenues recovered at present rates. Non-residential customers current tiers are 0 – 5 Ccf for Tier 1, 6 – 20 Ccf for Tier 2, 21Ccf & up for Tier 3. This is the current tier structure for non-residential customers, without more data, parties agree to not change the rate structure and keep it as is for this rate cycle.

2. There will be no change to the calculation of non-general meter tariff or contracted rates[8].

3. In all ratemaking areas with the exception of Clearlake, rates shall be set to recover 30% of general meter revenue from the service charge and 70% from the quantity charge. This results in more revenue from the service charge in some districts, and less revenue from the service charge in other districts; the current (2012) split of general meter revenue between service charge and quantity charge is approximately as follows: 35/65 for Arden Cordova & Ojai, 30/70 for Bay Point & Santa Maria, 33/67 for Los Osos, 22/78 for Simi Valley; 28/72 for Region 2; 29/71 for Region 3.

[7] There is no specific rate differentials, rates per tier are set depending percentage of quantity revenue each tier generates at present rates.
[8] Private Fire Protection, AC-2, OJ-3M, OJ-7ML, SM-3M, ME-3, R3-CM-7ML, R3-CMH-3M, R3-SD-3, R3-OC-3M, R3-3, R3-DEM-2H, R3-RCW, Malone Well and Calipatria Prison).

a. After deducting all non-general metered revenue from the revenue requirement, 30% of the remaining revenue (residential and non-residential) shall be recovered through the service charge.
b. The remaining 70% of the revenue shall be recovered through the general metered (residential and non-residential) quantity charge.

4. The methodology described in item 3 above will be used in designing service charge rates for general meter residential and non-residential customers shall be used in Bay Point, Ojai, Los Osos, Santa Maria, Simi Valley, Region 2 and Region 3.
   a. The 30% service charge calculated in section 3 above shall be allocated between residential and non-residential customers in proportion to the percentage of revenue forecasted for residential and non-residential customers generated at present rates (rate per 100 day updated filed by GSWC).

5. For all ratemaking areas with residential tiered rates, other than Ojai, GSWC will continue with its current tier break points and current15% rate differential between tiers as follows. Ojai's tier break points and rate differential changes are described in item 1 above and the settled numbers are shown below for completeness:

Table 14.2
Residential Tiers (Ccf)

In Ccf	Bay Point	Los Osos	Ojai	Santa Maria	Simi Valley	Region 2	Region 3
Tier 1	0 - 8	0 - 8	0 - 13	0 - 15	0 - 13	0 - 11	0 - 13
Tier 2	9 - 14	9 - 14	14 - 25	16 – 27	14 - 20	12 – 15	14 - 21
Tier 3	15 & up	15 & up	26 & up	28 & up	21 & up	16 & up	22 & up
Rate Differential%	15%						

6. For all ratemaking areas except Arden Cordova, Clearlake and Ojai, the general metered non-residential quantity rate shall be set to be equivalent to the Tier 1 rate of general metered residential customers. The Residential Tier 2 rate shall be 15% higher than the Tier 1 rate and the Tier 3 rate shall be 15% higher than the Tier 2 rate. Tier rate shall not apply to non-residential customers; non-residential customers will retain its current single quantity rate structure.
7. The tiered rates were designed to be revenue neutral, ensuring that the proposed three-tier rates will result in a sales revenue that is equal to what a single quantity rate generates given the same amount of fixed and variable costs allocated to the volumetric charges.
8. All of the other provisions of the settlements between DRA and Golden State on rate design adopted in D.08-08-030, D.09-05-005 remain, unless specifically referenced here.

14.1 Phasing of Los Osos Rate Increase

GSWC's Request and DRA's Position:

DRA recommended phasing in DRA's proposed revenue increase for Los Osos CSA over three years to mitigate rate shock.

GSWC did not agree phasing in of rates was necessary.

Resolution:

The Parties agree that the increase in revenue requirement at Los Osos for the 2013 test year is estimated to be $1.2 million, 40%. GSWC and DRA agree that GSWC will implement a revenue increase in 2013 equal to 50% of the adopted increase in the Los Osos revenue requirement (approx. $608,000; 50% of $1.2 million) and will defer cost recovery of the remaining 50% ($608,000) in a balancing account accruing interest at a rate equal to GSWC's authorized rate of return.

DRA and GSWC further agree that GSWC will file an advice letter to implement a surcharge effective January 1, 2014 to amortize the balance in the balancing account over a three-year period to recover these revenues. The surcharge will be a flat monthly rate.

15.0 Customer Service

GSWC's Request and DRA's Position:

GSWC did not specifically address Customer Service in its Application.

DRA recommended that the Commission direct GSWC to improve the quality of water and to impose a reduction in rates in the next GRC in the Ojai CSA.

Resolution:

1. GSWC complies with the Response to Customer and Regulatory Complaints Performance Standard in G.O. 103-A, Section VIII, Appendix E. TURN does not take a position on this issue.

2. GSWC complies with CDPH Primary and Secondary Drinking Water Standards. TURN does not take a position on this issue

3. GSWC will resume using customer satisfaction surveys. No later April 1, 2013 (assuming the decision in this GRC is approved by December 31, 2012), GSWC will implement a survey program for customers who have recently received service from GSWC. This program will consist of sending post cards to customers who have recently received service from GSWC and directing them to an online survey. GSWC will receive a report and analysis of the survey data annually from the vendor it chooses to conduct the survey and will provide that report to CPUC, DRA and TURN by April 30, 2014 along with the progress reports on the proposed

customer service improvement measures referenced below in paragraph #4. GSWC will supply subsequent reports containing an analysis of this survey data in GSWC's next GRC. GSWC estimates that the annual cost for this customer survey program is approximately $50,000. GSWC will develop a formal RFP and solicit quotations from several qualified vendors. TURN, DRA and GSWC agree to increase the annual total company expenses for GO Outside Services in this GRC by $25,000 to cover half of the expected costs associated with the survey. The remainder of costs will be borne by shareholders.

4. GSWC will analyze customer contact investigation reports in further detail to identify any on-going customer issues resulting from water system operations. Upon completion of this analysis, GSWC will identify measures to improve customer service and provide progress reports to the CPUC every six months.

GSWC's rebuttal testimony includes several examples where GSWC has taken measures to improve service in areas that have experienced water quality and/or water pressure issues resulting from water system operations. Some of these examples include shutting off a well in Los Osos (page 9), implementation of break-point chlorine, changing the filter media and reducing the amount of water purchased from Casitas in Ojai (page 13), operational changes to the well in Nipomo (page 14), implementing the UDF program in Southwest (page 16), flushing the distribution system nearby a well in Cypress (page 20), etc.

GSWC will analyze field investigation reports of customer contacts for the years 2010, 2011 and 2012 to identify any other potential customer issues. Measures to improve customer service, such as those listed above, will be identified to address such issues if they

exist.

This analysis is projected to be completed by April 1, 2013 (assuming the decision in this GRC is approved by December 31, 2012). GSWC will submit a report to the CPUC, DRA Branch Manager and TURN on the proposed customer service improvement measures by November 1, 2013. GSWC will thereafter provide to the CPUC customer service annual reports on the status of implementing the customer service improvement measures and their call center statistics.

Measures to improve service issues at costs within GSWC's adopted expenses will be implemented immediately, although GSWC could implement improvements within its adopted expenses on its own initiative as well. Issues that require a significant increase in expenses, or require capital improvements, that are not part of GSWC's adopted levels will be submitted with the appropriate justification in the next GRC.

GSWC will survey the customers in areas where service improvement measures were implemented in an effort to gauge their effectiveness. Results of this survey will be provided in GSWC's next GRC application.

5. GSWC will reduce its requested revenue requirement increase for Ojai by 10% in this general rate case, a total of approximately $79,000, in addition to any other revenue requirement adjustments that are agreed to by the parties. This adjustment is equivalent to less than 1.5% of the proposed revenues for the Ojai area. This concession by GSWC has been made solely for the purpose of compromise and settlement; it is not an admission by GSWC to any claim or allegation made or asserted by any party in this

proceeding. Furthermore, this concession by GSWC will not be cited or utilized to support any allegation, claim or circumstance associated with the operations of GSWC, including without limitation, any allegations or claims related to customer service, water quality and/or service quality.

16.0 Common Issues

16.1 Inflation

GSWC's Request and DRA's Position:

The Parties used the same inflation factors from the April, 2011 memo as provided by the DRA Energy Cost of Service Branch to true up historical expenditures into present rate value.

Resolution:

The Parties agree that the inflation factors used in this case should be updated at the time final rates are designed in this GRC based on most recent the DRA Energy Cost of Service Branch memorandum.

16.2 Rates Charged for Purchased Water and Purchased Power

Resolution:

The Parties agree the latest available rates prior to developing the decision tables should be used to calculate supply expenses in the final decision.

16.3 Affordability Study

GSWC's Request and DRA's Position:

DRA recommended that GSWC work with DRA to develop the scope the of an affordability study to be included in GSWC's next GRC and that the

cost of the affordability study be shared equally between GSWC's shareholders and its ratepayers.

GSWC noted that it had completed rate studies similar to the affordability study recommended by DRA in its previous GRCs and that DRA had recommended the Commission disallow recovery for the cost of the studies in previous GRCs.

Resolution:
GSWC and DRA agreed to meet and confer prior to GSWC filing its next GRC (July of 2014,) to discuss the preparation of an Affordability Study to potentially be included in GSWC's next GRC filing. At that meeting GSWC and DRA will discuss the content of the affordability study and set an agreed upon cap on the cost.

17.0 Cost of Capital

17.1 Return on Ratebase

GSWC's Request and DRA's Position:
Cost of Capital is being addressed in a separate proceeding, Application 11-05-004, filed on May 1, 2011. Rates shown in this application reflect the currently adopted cost of capital. GSWC filed its request in this proceeding on July 1, 2011 utilizing the most recently adopted cost of capital then in effect which resulted in a return on ratebase of 8.9%. DRA based its recommended cost of service on the same cost of capital as GSWC.

Resolution:

The Parties agree that at the time of the final decision in this proceeding the new adopted rate of return, if known, should be reflected in the final cost of service tables adopted for GSWC.

18.0 Special Requests

18.1 Special Request 2: Additional Fire Sprinkler Combinations

GSWC's Request and DRA's Position:

GSWC proposed in include sprinkler rates in all ratemaking areas. The sprinkler rate calculations are based on methodology developed by the Commission's Water Branch.

DRA agreed with GSWC's proposal and methodology.

Resolution:

The Parties agree to GSWC's calculations and request.

18.2 Special Request 3: New Memorandum Accounts

GSWC's Request and DRA's Position:

GSWC requested the Commission authorize it to establish a memorandum account to track operating and maintenance expenses relating to the investigation and treatment of high uranium levels at its Orangethorpe Plant in Placentia, Region 3. Additionally, GSWC requested the memorandum account to track carrying costs equal to GSWC's adopted rate of return, for future recovery.

DRA recommended the approval of the proposed memorandum account. However, DRA did not recommend that the carrying cost of the memorandum account be set at GSWC's adopted rate of return.

Resolution:

The Parties agreed GSWC would withdraw this request.

18.3 Special Request 4: Amortization and Continuation of Balancing and Memorandum Accounts

ITEM 1: OPERATIONAL ENERGY EFFICIENCY PROGRAM MEMORANDUM ACCOUNT ("OEEPMA")

GSWC's Request and DRA's Position:

The OEEPMA was established by D. 10-04-030 on April 8, 2010 to track the Operational Energy Efficiency Program ("OEEP") project costs incurred by Golden State Water Company and OEEP related reimbursements from energy utilities, Pacific Gas and Electric ("PG&E") and Southern California Edison Company ("SCE").

In November of 2011, GSWC received a verbal directive from the Director of the Commission's Water and Audit Division advising them to close the OEEPMA memo accounts because no further activity was expected.

In its testimony, GSWC identified the balance in the OEEPMA as of May 31, 2011 as $2,800

DRA agrees with the Company and the Water and Audit Division that the account balance be amortized and the account closed.

Resolution:

The Parties agree with the Division of Water and Audits that the account should be closed.

ITEMS 2, 15 & 22: CALIFORNIA ALTERNATIVE RATES FOR WATER BALANCING ACCOUNT ("CARWBA")

GSWC's Request and DRA's Position:

These accounts track the differences between CARW discounts, program costs, and the CARW surcharge-generated revenue. The CARW balancing account and surcharge was approved in D.02-01-034 for Region III. The CARWBA was subsequently allowed in Region 1 in D. 08-01-043 and in D.10-12-059 and D. 10-11-035 for Regions 2 and 3. These amounts are recorded in separate subaccounts for the Region 1, Region 2, and Region 3 service areas.

Table 18.1
CARWBA Amounts Recorded ($)

Item #	Description	Account No(s)	GSWC Balance 9/30/11	DRA	Difference
2	CARWBA R1	1760.15	$(407,146)	$ (407,146)	$ 0
15	CARW BA R2	1760.15	3,200,828	3,200,828	$ 0
22	CARW BA R3	1760.15	2,228,614	2,228,614	$ 0
		Total	$5,022,296	$ 5,022,296	$ 0

DRA did not note any discrepancies in the review of the CARWBA accounts.

These accounts are currently being amortized.

Resolution:

The Parties agree that the account should be continued.

ITEMS 3, 18, 26: CONSERVATION EXPENSES ONE-WAY BALANCING ACCOUNT ("CEOWBA")

GSWC's Request and DRA's Position:

The CEOWBA was authorized in D.10-12-059 to record the differences between total actual conservation expenses and total authorized

conservation expenses in each customer service area. Within a rate case cycle, funds not used in one year may be used in subsequent years.

As the balancing account is cumulative through the current rate case cycle which ends at the end of 2012, the final balance will not be known until 2012.

Resolution:

The Parties agree that this memorandum account should continue through December 31, 2012, at which time GSWC will file a Tier 3 advice letter to amortize the balance as of December 31, 2012 after review of the updated balances in compliance with Standard Practice U-27-W, Section 56.b. and close the account when fully amortized. New balancing accounts will be added to track 2013-2015 conservation expenses. See Section 10.5.

ITEM 5: BAY POINT WATER QUALITY MEMORANDUM ACCOUNT ("BPWQMA")

GSWC's Request and DRA's Position:

The purpose of BPWQMA is to record the difference between the additional purchased treated water costs and the adopted purchased raw water costs from the Contra Costa Water District. The purchased treated water was temporarily replacing the purchased raw water due to contamination.

The balance in the BPWQMA as of May 31, 2011 is $77,628.

DRA's review in this proceeding consisted of the transactions in this account from June 1, 2010 through December 31, 2010. No transactions were recorded in the account after this date.

DRA reviewed the workpapers and discovery responses submitted by the Company pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree that a surcharge should be established as of January 1, 2013 and the account should be closed when fully amortized. The BPWQMA will have no additional entries, except for interest.

ITEM 6: RATE CASEMEMORANDUM ACCOUNT ("RIRCMA")

GSWC's Request and DRA's Position:

Advice Letter 1414-W, concerning the RIRCMA was accepted by the Commission on October 7, 2010. The purpose of the RIRCMA is to track the difference between interim rates and the final rates adopted in GSWC's Region 1 General Rate Case Application No. 10-01-009, i.e., rates would be tracked in the RIRCA in the event the decision for the GRC was delayed and interim rates were implemented.

The Commission issued its decision in Application 10-01-009 on schedule so there was no need to track the rates in the RIRCMA. The balance in this account is zero.

Resolution:

The Parties agree that the account should be closed.

ITEM 7: RANDALL-BOLD BALANCING ACCOUNT ("RBBA")

GSWC's Request and DRA's Position:

Advice Letter 1450-W establishing the RBBA was accepted by the Commission on June 22, 2011 in compliance with Resolution W- 4877 dated June 9, 2011. The purpose of the RBBA is to track the $4.7 million payment for use of the Randall-Bold Water Treatment Plant and the engineering construction cost index escalation as required by Section 1.2.2 of the Asset Lease Agreement with the Contra Costa Water District.

The Company filed this Advice Letter in compliance with D. 11-09-017 to

implement the surcharge for purposes of amortizing the Contra Costa Water District purchased water agreement costs in the amount $4,889,102 for a period of six years in the RBBA.

Advice Letter 1428-W included an executed copy of the agreement with Contra Costa and was approved by Resolution W-4877.

Resolution:

The Parties agree that this account should continue until the amortization is complete and there should be no further charges added to this account other than interest.

ITEM 8: LOS OSOS GROUNDWATER ADJUDICATION MEMORANDUM ACCOUNT ("LOAMA")

GSWC's Request and DRA's Position:

LOAMA tracks legal expenses related to the adjudication of the Los Osos Groundwater, pursuant to the Settlement Agreement in D.10-12-059. GSWC requested the balance in this account be amortized and the account remain open.

DRA noted that the Company had included amounts in this account that were accumulated between February 3, 2005 and December 31, 2010 totaling $590,074. GSWC agreed with DRA that the $590,074 should be removed from this account. After removal of the $590,074, the balance as of September 30, 2011 would be $180,317.

Resolution:

The Parties agree that the balance in this account as of September 30, 2011 is $180,317.

The Parties further agree that a surcharge should be established effective January 1, 2013 or as of the effective date of the decision adopting this settlement, whichever comes later, to amortize the balance of $180,317 over a 12 month period, consistent with Standard Practice U-27-W, section 56.b, the account should be converted to a balancing account in compliance with Section 3 of Standard Practice U-27 at page 3 and the account should remain open, at least through this GRC Cycle, with an annual cap of $200,000 for outside services incurred.

ITEM 9: LOS OSOS INTERLOCUTORY STIPULATED JUDGMENT MEMORANDUM ACCOUNT ("LOISJMA")

GSWC's Request and DRA's Position:

The LOISJMA tracks GSWC's share of expenses for additional studies that may be necessary to characterize the Los Osos Valley Groundwater Basin sufficiently to support development of the Basin Management Plan.

GSWC reported a balance of $77,166 as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree the account should be continued.

ITEM 10: SANTA MARIA STEELHEAD RECOVERY PLAN MEMORANDUMACCOUNT ("SMSRPMA")

The SMSRPMA was authorized via D. 10-12-059 on December 16, 2010, which adopted an August 9, 2010 settlement agreement. The purpose of the SMSRPMA is to track legal expenses related to the Steelhead

Recovery Plan, pursuant to the Settlement Agreement in D. 10-12-059.

GSWC reported a balance of $44,728 as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:
The Parties agree the account should be continued.

ITEM 11: SANTA MARIA STIPULATION MEMO ACCOUNT ("SMSMA")
GSWC's Request and DRA's Position:
D. 07-05-041authorized the SMSMA. The purpose of the SMSMA is to track the expenses of the Nipomo Mesa Management Area Technical Group and the Twitchell Management Authority. In its testimony, Golden State has forecasted SMSMA legal costs in the O&M for 2013 and beyond.

GSWC reported a balance of $868,722 in this account as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not recommend any changes.

Resolution:
The Parties agree that, after incremental balances incurred after September 30, 2011 are reviewed, the account should be amortized and closed as of December 31, 2012. GSWC agrees to submit supporting work papers for the incremental balances incurred after September 30, 2011, when it files the Advice Letter seeking amortization for this account in compliance with Standard Practice U-27-W, section 56.b.

ITEM 12: SANTA MARIA WATER RIGHTS BALANCING ACCOUNT ("SMWRBA")

GSWC's Request and DRA's Position:

D. 07-05-041 on May 24, 2007 authorized the SMWRBA. The SMWRBA tracks the revenue generated from the temporary surcharge to amortize $2,754,211 in legal expenses incurred as of December 31, 2005 to protect GSWC water rights in the Santa Maria Groundwater Basin due to the adjudication by the superior court, pursuant to D. 07-05-041 over a ten year period or when the SMWRBA is fully recovered, whichever is sooner. The surcharge is recalculated annually on November 1.

GSWC reported a balance of $1,901,081 in this account as of 9/30/2011. The Commission recently reviewed this account through September 30, 2011.

Resolution:

The Parties agree the account should be continued.

ITEM 13: SANTA MARIA WATER RIGHTS MEMORANDUM ACCOUNT ("SMWRMA")

GSWC's Request and DRA's Position:

D. 07-05-041 authorized The SMWRMA. The SMWRMA tracks the litigation costs, incurred after December 31, 2005 associated with GSWC's efforts to protect its water rights in the Santa Maria Groundwater Basin due to the adjudication by the superior court, pursuant to Decision ("D.")No. 07-05-041. The recovery will be over a ten year period. The surcharge is recalculated annually.

GSWC reported a balance of $1,796,805 in this account as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not recommend any

changes.

Resolution:

The Parties agree that a surcharge should be established effective January 1, 2013 or as of the effective date of the decision adopting this settlement, whichever comes later, to amortize the balance of $1,796,805 over a 10 year period, the account should be converted to a balancing account in compliance with Section 3 of Standard Practice U-27 at page 3 and the account should be continued.

ITEM 14: SIMI VALLEY MANDATORY CONSERVATION RATIONING IMPLEMENTATION MEMORANDUM ACCOUNT ("SIMCRIMA")

GSWC's Request and DRA's Position:

Resolution No. 4781-W dated August 20, 2009 authorized the SIMCRIMA. The SIMCRIMA tracks: 1) any additional revenues in the form of volumetric penalties from its customers for consumption over their allocations generated from Schedule 14.1; 2) incremental operating expenses incurred after the date Schedule 14.1 is activated; 3) any penalties paid to its water wholesalers; and 4) any additional revenues in the form of penalties paid by customers for violating water use restrictions in Simi Valley.

The amount to return to customers has been resolved in Resolution No. W-4894.

Resolution:

The Parties agree that the balance in SIMCRIMA account should now be zero and the account should be closed.

ITEM 16: OMEGA CHEMICAL CORPORATION SUPERFUND SITE MEMORANDUM ACCOUNT ("OCCSSMA")

GSWC's Request and DRA's Position:

The OCCSSMA was authorized via Advice Letter 1413-W on September 29, 2010. The purpose of the OCCSSMA is to track incremental administrative costs GSWC incurs in connection with the investigation of the Environmental Protection Agency ("EPA") into the groundwater contamination which begun at the Omega Chemical Corporation in Whittier, California.

GSWC reported a balance of $36,708 in this account as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree the account should be continued.

ITEM 17: OUTSIDE SERVICES MEMO ACCOUNT ("OSMA")

GSWC's Request and DRA's Position:

D.04-08-053 on August 19, 2004 authorized the OSMA. Subsequent Decisions: D.07-11-037 and D.10-11-035 authorized it to be continued. The Commission authorized the establishment of the OSMA which directed GSWC to record all costs working with public agencies on water supply reliability and rate issues with Water Replenishment District and WRD Technical Advisory Committee, Central and West Basin Municipal Water Districts, Metropolitan Water District, West Basin Water Association and Central Basin Water Association.

GSWC reported a balance of $574,035 in this account as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree that a surcharge should be established effective January 1, 2013 or as of the effective date of the decision adopting this settlement, whichever comes later, to amortize the balance of $574,035 over a 12 month period, the account should be converted to a balancing account in compliance with Section 3 of Standard Practice U-27 at page 3 and due to ongoing litigation matters regarding these issues, the account should be continued.

ITEM 19: MANDATORY CONSERVATION RATIONING IMPLEMENTATION MEMORANDUM ACCOUNT ("MEMCRIMA")

GSWC's Request and DRA's Position:

Resolution No. 4781-W, dated August 20, 2009 authorized the MEMCRIMA. The MEMCRIMA tracks: 1) any additional revenues in the form of volumetric penalties from its customers for consumption over their allocations generated from Schedule 14.1; 2) incremental operating expenses incurred after the date Schedule 14.1 is activated; 3) any penalties paid to its water wholesalers; and 4) any additional revenues in the form of penalties paid by customers for violating water use restrictions in Region 2.

GSWC reported a balance of ($1,789) in this account as of 9/30/2011.

Resolution:

The Parties agree that the MEMCRIMA account should be closed.

ITEM 20: BARSTOW WATER ALERT MEMORANDUM ACCOUNT ("BWAMA")

GSWC's Request and DRA's Position:

Advice Letter No. 1426-W on January 11, 2011 authorized the Barstow Water Alert ("BWA") Memorandum Account. The purpose of the BWAMA is to track unanticipated incremental administrative expenses related to the Do Not Drink Water Alert ("Water Alert") that GSWC issued in its Barstow Customer Service Area on November 19, 2010.

GSWC reported a balance of $35,490 in this account as of 9/30/2011.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree the account should be continued.

ITEM 21: CALIPATRIA PRISON MEMORANDUM ACCOUNT ("CPMA")

GSWC's Request and DRA's Position:

The Company stated Resolution W-4601, dated June 15, 2006, allowed GSWC to establish the CPMA to facilitate review and potential recovery of reduced revenues resulting from discounted water service to the California Department of Correction and Rehabilitation in Calipatria authorized the CPMA. The purpose of the CPMA is to track the revenue shortfall in Region 3 associated with water service to the Calipatria Prison. DRA drew the Company's attention to Resolution W-4672 which indicated that the revenue shortfall to be recovered from ratepayers was to be effective as of February 14, 2008, and not prior. GSWC agreed with DRA that the account should be limited to the monthly revenue shortfalls from February 14, 2008 through December 31, 2008.

DRA reviewed the work papers and calculations supporting the

Company's updated balance of $353,972 in the CPMA as of September 30, 2011, which included interest through that date and excluded the amounts for periods before February 14, 2008, and did not note any exceptions.

Resolution:

The Parties agree that no additional amounts should be added to the updated balance of $353,972 as of September 30, 2011 other than interest and this memorandum account should continue to accumulate interest through December 31, 2012. The parties agree that a surcharge should be established as of January 1, 2013 and the account should be closed once fully amortized.

ITEM 23: CATASTROPHIC EVENT MEMORANDUM ACCOUNT ("CEMABWA")

GSWC's Request and DRA's Position:

The CEMA-BWA was authorized via Standard Practice for Processing Rate Offsets and Establishing and Amortizing Memorandum Accounts (SP U-27) revised May 18 2008.

Golden State Water activated the CEMA-BWA to track the incremental administrative costs (including but not limited to labor, bottled water, and printing) associated with the Governor-declared State of Emergency in the City of Barstow.

The CEMA was deactivated on January 20, 2011- after the Barstow Water Alert Memorandum Account was established.

GSWC reported a balance of $660,560 as of 9/30/11.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree that a surcharge should be established as of January 1, 2013 and the account should be closed when fully amortized. The CEMABWA will have no additional entries, except for interest.

ITEM 24: ORANGE COUNTY ANNEXATION MEMORANDUM ACCOUNT ("OCAMA")

GSWC's Request and DRA's Position:

Advice Letter 1240-W which became effective in April 2007 established the OCAMA. The Orange County Annexation Memorandum Account tracks expenses related to protecting GSWC water rights from the proposed annexations to the Orange County Water District. The Account was specified to expire in January 2012.

GSWC reported a balance of $94,760 as of 9/30/11.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Initially DRA recommended the account remain open until the current balance is fully recovered and then closed at that time. However, the Company continues to incur costs associated with retaining legal counsel and other consultants to the Company to evaluate whether the proposed annexations would adversely impact the Company or its ratepayers and to protect the Company from the legal, physical and financial impacts the proposed annexations are predicted to cause.

Resolution:

The Parties agree the account should be continued.

ITEM 25: MANDATORY CONSERVATION RATIONING IMPLEMENTATION MEMORANDUM ACCOUNT ("R3MCRIMA")

GSWC's Request and DRA's Position:

The R3MCRIMA was authorized in Resolution No. 4781-W on August 20, 2009 and tracks for Region 3: 1) any additional revenues in the form of volumetric penalties from its customers for consumption over their allocations, generated from Schedule 14.1; 2) incremental operating expenses incurred after the date Schedule 14.1 is activated; 3) any penalties paid to its water wholesalers; and 4) any additional revenues in the form of penalties paid by customers for violating water use restriction in each custom service area with its Region 3 service territory, via subaccounts, upon activation of a Schedule 14.1 for that particular customer service area.

Resolution:

The Parties agree that the amount to return to customers has been resolved in Resolution W-4894. The Parties agree that the amount in this account should now be zero and the account should be discontinued and closed.

ITEM 27: CITY OF TORRANCE BALANCING ACCOUNT ("COTBA")

GSWC's Request and DRA's Position:

As part of a supplemental settlement between GSWC and DRA in that case, it was agreed that if GSWC's ASUS-City contract (the contract with the City of Torrance) expired prior to December 31, 2012, GSWC may establish a balancing account to track the costs being allocated to ASUS-City as a result of the Commission's Decision in that case. D.10-11-035 approved this settlement provision. The contract with the City of Torrance was, in fact, dissolved during 2011 thereby triggering the provisions of the COTBA that was agreed to in the prior GRC.

GSWC reported a balance of $116,033 as of 9/30/11.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account through October 31, 2011 and determined that GSWC appears to be accurately calculating the amount of net costs that would qualify for inclusion in the COTBA.

Resolution:

The Parties agree that the balancing account should continue until December 31, 2012, at which point GSWC will file a Tier 3 advice letter to amortize the balance after review of the updated balances as of December 31, 2012 in compliance with Standard Practice U-27-W section 56.b and close the account when fully amortized.

ITEM 28: COST OF SERVICE MEMORANDUM ACCOUNT ("COSMA")

GSWC's Request and DRA's Position:

Resolution No. L-411, which was issued April 15, 2011, authorized the COSMA and establishes a one-way memorandum account for all cost of service rate regulated utilities that do not address the "New Tax Law" in a 2011 or 2012 GRC. The resolution established a one-way memorandum account to track the impacts of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 that was signed into law by President Obama on December 17, 2010.

This New Tax Law reduces the cost of providing service as it provides for 100% bonus depreciation on certain property put into service after September 8, 2010 and before January 1, 2012. It also allows for 50% bonus depreciation on property placed into service between January 1, 2010 and September 7, 2010 and during 2012. The benefits of the New Tax Law would not have been factored into GSWC's current rates as the law was put into place subsequent to the prior GRC. The purpose of the COSMA is to track on a CPUC-jurisdictional, revenue requirement basis: (a) decreases in each impacted utility's revenue requirement resulting

from increases in its deferred tax reserve; and (b) other direct changes in revenue requirement resulting from taking advantage of the New Tax Law.

Resolution:

The Parties agree this memorandum account needs to remain open to track the effects of the New Tax Law for the period April 14, 2011 through December 31, 2012 and that beginning January 1, 2013, the impacts of the New Tax Act should be factored into GSWC's base rates as a result of this GRC.

The Parties further agree that this account be reviewed once the Company has recorded the tax effects of the New Tax Law in this account to verify that the Company's calculations are accurate in incorporating the full impacts of the New Tax Law. After the balance is reviewed, the outstanding balance can be returned to ratepayers with the account closed after all amounts due to ratepayers are returned.

ITEM 29: GENERAL OFFICE MAINTENANCE MEMORANDUM ACCOUNT ("GOMMA")

GSWC's Request and DRA's Position:

Advice Letter 1435-W on May 6, 2011 established the GOMMA. The purpose of the GOMMA is to track costs related to remediation efforts to renovate and repair damage caused by water and moisture to GSWC's General Office in San Dimas, California. The advice letter also allows related costs incurred by GSWC that would normally be expensed instead of capitalized on its books to be included in the GOMMA, such as costs for contracts to examine for damage and costs for temporarily relocating employees during the renovation and repair process. This avoids GSWC being required to expense the costs when incurred and allows for future consideration in rates. Additionally, the AL indicates that if GSWC receives any payments from its insurers associated with the damage, it will credit the balance to the GOMMA.

DRA addressed recovery of the GOMMA in the General Office Report filed by DRA in this GRC.

Resolution:

To encourage GSWC to pursue insurance proceeds related to the GOMMA, the Parties agree to keep the GOMMA open to track costs associated with pursuing insurance proceeds and any insurance proceeds received. Because any insurance proceeds received will be to reimburse GSWC for costs that were capitalized and included in rate base, the Parties agree that the memorandum account will accrue carrying costs at GSWC's authorized rate of return.

ITEM 30: GENERAL RATE CASE MEMORANDUM ACCOUNT ("GRCMA")

GSWC's Request and DRA's Position:

Advice Letter 1351-WA on September 14, 2010, with an effective date of August 25, 2010 authorized the GRCMA. GSWC's testimony in this case indicates that the purpose of the GRCMA is to "…track all incremental expenses incurred by GSWC for the preparation and processing of the 2011 General Rate Case." AL 1351- WA provides further clarification and indicates, at page 5, that "The purpose of the GRCMA is to record the expenses for the preparation and processing of the Region I General Rate Case." The approved Tariff Sheet, Sheet 5852-W, states that "The purpose of the GRCMA is to track all incremental expenses incurred by GSWC for the preparation and processing of the 2010 Region I General Rate Case."

GSWC reported a balance of $462,845 as of 9/30/11.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account through September 31, 2011 and determined that of the $462,845 balance as of 9/30/11, only $8,234.86

met the requirements for inclusion in the GRCMA. GSWC agrees with DRA's findings.

Resolution:
The Parties agree that as the 2010 Region I GRC is complete, the GRCMA should be closed.

ITEM 31: MILITARY FAMILY RELIEF PROGRAM MEMORANDUM ACCOUNT ("MFRPMA")
GSWC's Request and DRA's Position:
The MFRPMA was established by Advice Letter 1207-W on February 17, 2006 to track the uncollectible and program related costs associated with the Military Family Relief Program in the MFRPMA.

GSWC reported a balance of $5,186 as of 9/30/11.

Resolution:
The Parties agree that this account should be closed.

ITEM 32: ORACLE TECHNICAL SUPPORT COSTS MEMORANDUM ACCOUNT ("OTSCMA")
GSWC's Request and DRA's Position:
The OTSCMA was authorized via Advice Letter 1412-WA on September 24, 2010. The purpose of the OTSCMA is to: 1) track the Oracle Technical support costs associated with the maintenance of GSWC's new Customer Care and Billing ("CC&B") system for the years 2011 and 2012; and, 2) track the reduction in Operation and Maintenance expenses and the technical support costs for GSWC's current Customer Information System.

As the new CC&B system was placed into service with a go-live date of November 1, 2011, Oracle Technical Support costs incurred after that date will be included in the OTSCMA.

DRA's review of the balances in the various balancing and memorandum accounts was for the period through September 30, 2011, there were no balances in the account at the time of DRA's review. Balances would not be accumulated in the memorandum account until November 1, 2011, the go-live date for the CC&B system.

DRA did review the direct testimony of John Garon, at page 50, where he indicates that GSWC will incur additional costs of $760,800 on an annual basis, which will be offset by $197,300 in savings from the cancelation of the maintenance costs relating to the prior CIS system and $162,000 of savings as a result of discontinuing the annual lease of the AS 400. The projected net costs would be $401,500 per year, or $33,458.33 on a monthly basis. As the go-live date was November 1, 2011, these costs would be recognized in the memorandum account for 14 months.

DRA and GSWC anticipate the balance in the account will be approximately $468,417 ($33,358.33 x 14 months) at the time the OTSCMA expires.

Resolution:

The Parties agree that this memorandum account should continue through December 31, 2012, at which time GSWC will file a Tier 3 advice letter to amortize the balance after review of the updated balances as of December 31, 2012, in compliance with Standard Practice U-27-W, section 56.b and close the account when fully amortized.

ITEM 33: PENSION AND BENEFITS BALANCING ACCOUNT ("PBBA")

GSWC's Request and DRA's Position:

D.10-11-035 authorized the PBBA. In its order, the Commission allowed the establishment of the PBBA, stating that "The amount to be tracked in the balancing account shall be the difference between the expenses

authorized in rates and the actual costs calculated in accordance with SFAS No. 87." Thus, the purpose of the PBBA is to track the difference between authorized pension costs included in rates (based on ERISA minimum funding levels) and actual pension costs based on Accounting Standard Codification 715-10 ("ASC 715-10"), Compensation - Retirement Benefits (formerly known as FAS 87).

The amount identified in D.10-11-035 for pension costs included in base rates was $4,136,000 for 2010, $6,563,000 in 2011 and $6,117,000 in 2012. These amounts are on a total GSWC basis and would also include amounts allocated to CCWC, AWR and ASUS operations.

GSWC reported a balance in the PBBA of $2,207,637 as of 9/30/11. The Company originally booked incorrect deferral amounts for 2010, but they have subsequently been corrected by GSWC.

DRA reviewed the work papers, general ledger and discovery responses pertaining to this account through September 31, 2011. Based on the review and concerns with how the affiliates were accounted for in the calculation, DRA calculated a revised amount of $1,621,064. The $1,621,064 was based on the corrected 2010 deferral balances and excluded entries for the 2011 deferral as the 2011 plan year was not complete at the time of the review.

DRA determined that for the most part, GSWC's methodology was accurate, with one exception. A portion of the GSWC General Office costs were allocated to ASUS-military and ASUS-City operations as well as Chaparral City Water Company operations. Thus, the amount included in the balancing account that is associated with the GSWC GO pension costs should be reduced proportionately to remove the portion that is associated with the affiliate operations.

GSWC and DRA discussed the difference and determined that GSWC's updated calculations properly account for the portion of the GSWC General Office costs that were allocated to ASUS-military and ASUS-City operations as well as Chaparral City Water Company operations; however, an adjustment to the amount was necessary.

GSWC and DRA agreed that the amount in the account as of December 31, 2011 should be $1,942,598, which covers the activities related to calendar years 2010 and 2011 (including cumulative adjustments some of which were recorded subsequent to December 31, 2011).

DRA also recommended that the 2012 rate year be the final year for the PBBA and that the PBBA be closed with the beginning of the new base rates to be set for 2013 as part of this GRC.

Resolution:

The Parties agree that a surcharge should be established as of January 1, 2013 to amortize the balance in the PBBA as of December 31, 2011 and the PBBA should be continued. GSWC will file a Tier 3 advice letter to recover the balances incurred beyond December 31, 2011 in compliance with Standard Practice U-27-W section 56.b. Incremental balances incurred beyond the audited balances in this proceeding will be subject to review. The Parties also agree that the portion of the pension costs allocated to affiliate operations should continue to be removed in the calculation.

ITEM 34: PRESSURE REDUCING VALVE MODERNIZATION AND ENERGY RECOVERY MEMORANDUM ACCOUNT ("PRVMA")

GSWC's Request and DRA's Position:

Resolution W-4854 on December 2, 2010 authorized the PRVMA. The purpose of the PRVMA is to track all of the costs associated with the research, development and demonstration of GSWC's electrical

regenerative flow control valve project.

This account had no balance as of 9/30/11.

Resolution:
The Parties agree that this account should be closed.

ITEM 35: TEMPORARY INTEREST RATE BALANCING ACCOUNT ("TIRBA")
GSWC's Request and DRA's Position:
D. 09-05-019 on May 7, 2009 authorized the temporary interest rate balancing account (TIRBA) in response to the problems in the 2008 financial markets, and purports to record the difference in interest expense between the actual interest costs for long term debt for debt issued after January 1, 2009, and the interest cost included in the adopted cost of capital for debt.

The TIRBA has been transferred to the Cost of Capital proceeding, A.11-05-004 and that currently, there is a settlement pending in that case that would amortize and close the TIRBA. The pending settlement in part states:

> Golden State's TIRBA balance of $407,797 will be returned to customers in the form of a one-time surcredit in accordance with Decision 03-06-072. Within 30 days of the effective date of a Commission decision adopting the Agreement, Golden State will file a Tier 1 advice letter to implement the surcredits.

Resolution:
The Parties agree that the TIRBA should remain open until the Commission issues a final decision in A.11-05-004.

ITEM 36: WELL STUDY BALANCING ACCOUNT ("WSBA")

GSWC's Request and DRA's Position:

D. 10-11-035 on November 19, 2010 authorized the WSBA. The purpose of the WSBA is to track and recover up to $375,000 for the costs of hiring a consultant to conduct a comprehensive well-replacement study. D. 10-11-035 states in part:

As provided for in the settlement, Golden State Water Company is authorized to file a Tier 2 advice letter to establish a balancing account to recover $375,000 for the cost of hiring a consultant to conduct a comprehensive well replacement study. The study will be expensed in the year the study is conducted and recovery will be based on actual prudently incurred costs at the time of the next general office rate case.

DRA initially recommended that the cap be reduced to $203,173 based on a contract with the vendor conducting the study on GSWC's behalf.

Resolution:

The Parties agree that because the original cap was set as part of a settlement and GSWC would not recover more than it actually spends, the cap should remain at $375,000. The Parties also agree that once the project is complete, the balance should be amortized and the account closed.

ITEM 37: CONSERVATION ORDER INSTITUTING INVESTIGATION MEMORANDUM ACCOUNT ("COIIMA")

GSWC's Request and DRA's Position:

D. 08-02-036 and D.10-04-001 authorized the COIIMA. The purpose of the COIIMA Memo Account is to track unanticipated legal and regulatory-related expenses associated with GSWC's participation in the Water Conservation OII.

GSWC reported a balance of $734,926 as of 9/30/11.

DRA reviewed the work papers, sample of invoices and discovery responses pertaining to this account and did not note any exceptions.

Resolution:

The Parties agree that a surcharge should be established effective January 1, 2013 or as of the effective date of a decision adopting this settlement, whichever comes later, to amortize the balance of $734,926 over a 12 month period, the account should be converted to a balancing account in compliance with Section 3 of Standard Practice U-27 at page 3 and that the account should remain open until the proceeding is closed.

ITEM 38: WATER CONSERVATION MEMORANDUM ACCOUNT ("WCMA")

GSWC's Request and DRA's Position:

The WCMA was authorized via Advice Letter 1284-W and became effective on August 18, 2008. The WCMA tracks the extraordinary expenses and revenue shortfall associated with the conservation measures in conjunction with the Governor's declared drought in California.

Resolution W-4840 dated September 23, 2010 states in part:

4. The Water Conservation Memorandum Accounts for Golden State Water Company Region I Districts are closed, effective September 1, 2009. Golden State Water Company shall seek recovery of any remaining balances in these memorandum accounts in its next General Rate Case, and these costs shall be subject to the Commission's review for reasonableness.

This account is currently being amortized.

Resolution:

The Parties agree that when this account is fully amortized it should be closed.

18.4 Special Request 5.Balancing Account for Group Medical Insurance Costs

GSWC's Request and DRA's Position:

GSWC requested that the Commission approve a balancing account mechanism to track the difference between the forecasted health care costs included in rates and the actual health care costs GSWC incurs. DRA recommended that the Commission reject GSWC's proposal for a Group Medical Insurance Balancing Account. Instead, as addressed in DRA's General Office report, DRA recommended a level of inflation for health care insurance premiums which exceeds the amount that would result from the application of the labor escalation factors mitigating any need for a Balancing Account.

Resolution:

Instead of granting GSWC's request the Parties agreed on an estimate for the test year and the escalation years' health care expenses. In lieu of a Group Medical Insurance Cost Balancing Account and instead of inflating the Group Medical Insurance by the Labor inflation factor, the following specific employee health care costs shall be used for 2014 and 2015 in the escalation filings. In aggregate and before allocation, these values are $7,344,200 in the test year, $7,918,000 in 2014, and $8,537,500 in 2015 for employee health care cost. These totals are allocated as shown below.

Table 18.2

Group Health Benefits Summary ($)

Group Health Insurance	2013	2014	2015
Corporate Support	$ 912,300	$ 983,500	$ 1,060,200
Billing and Cash Processing	210,200	226,700	244,500
COPS	1,874,500	2,020,900	2,178,800
Region 1	978,600	1,054,900	1,137,500
Region 2	1,330,800	1,434,800	1,547,100
Region 2 Fluoridation Emps.	70,300	75,800	81,700
Region 3	1,967,500	2,121,400	2,287,700
Total	$ 7,344,200	$ 7,918,000	$ 8,537,500

18.5 Special Request 6. Increase in Meter Testing Deposit (Rule 18)

GSWC's Request and DRA's Position:

GSWC's Rule 18, which became effective July 1964, requires customers who request that their meter be tested within six months of installation or more than once a year to deposit $2.00 for a one inch or smaller size meter and $3.50 for meters larger than one inch. Since meter testing costs have increased significantly, GSWC requested an increase in the deposit amounts in its Rule 18 to $25.00 for a once inch or smaller size meter and $50.00 for meters larger than one inch.

Resolution:

The Parties agree that it is reasonable to increase the cost of customer deposit amounts to $25.00 for a one inch or smaller size meter and $50.00 for meters larger than one inch.

18.6 Special Request 7. Chemicals included in MCBA

GSWC's Request and DRA's Position:

Per D.08-08-030 and D.09-05-005, along with conservation rates, the Commission approved a Water Revenue Adjustment Mechanism ("WRAM") and a Modified Cost Balancing Account ("MCBA"). The WRAM permits recovery or crediting the difference between actual and adopted quantity charge revenues whereas the MCBA tracks the difference

between actual and adopted variable costs for purchased power, purchase water and pump tax. In this GRC, GSWC request chemical to be included in the MCBA.

DRA did recommend against the approval of this request.

Resolution:
The Parties agree GSWC will withdraw Special Request #7.

18.7 Special Request 9. Update for Advice Letter Projects

GSWC's Request and DRA's Position:
On December 16, 2010 the Commission approved D.10-12-059, which authorized GSWC to include in rates, through the advice letter process, 32 pipeline projects and four (4) well projects in GSWC's Region 1. GSWC requested that for any of these advice letter projects completed with the advice letter submitted and approved between the time of the filing of this application and the implementation of the first test year rates approved in this proceeding that the rate impact of those advice letters be incorporated into the final rates approved in this proceeding so as to ensure that they continue to be reflected in rates.

DRA agreed with GSWC's request.

Resolution:
The Parties agree that since GSWC filed the application in this proceeding the following rate base offsets have been filed and included in rates and should be incorporated into the adopted revenue requirement in this proceeding:

Table 18.3 Special Request 9 – Advice Letter Projects			
Advice Letter #	**Customer Service Area**	**Date First Included in Rates**	**Amount of Rate Base Offset**
1457-W	Simi Valley	10/10/2011	$508,800
1469-W	Arden Cordova	1/1/2012	$728,200
1469-W	Santa Maria	1/1/2012	$534,100
1486-W	Arden Cordova	4/6/2012	$335,000

In the event that GSWC files and the Commission approves any additional rate base offset advice letters after this stipulation is filed, the amount of the rate base offset will be incorporated into the rate base that is calculated for the decision in this proceeding. Additionally, in the event that any rate base offset advice letters are filed by GSWC and approved before a decision becomes effective in this proceeding, but after the decision tables are prepared, GSWC is authorized to add the associated revenue requirement of those rate base offsets to the revenue requirement approved in the final decision in this proceeding. This will ensure that the authorized revenue increase associated with the rate base offset continues to be reflected in rates after a decision in this proceeding.

18.8 Special Request 10. Inclusion of Flat Rate customers in the Arden Cordova WRAM

GSWC's Request and DRA's Position:

Per D.08-08-030 and D.09-05-005, along with conservation rates, the Commission approved a WRAM and an MCBA. The WRAM permits recovery or crediting the difference between actual and adopted quantity charge revenues whereas the MCBA tracks the difference between actual and adopted variable costs for purchased power, purchase water and pump tax. In Arden Cordova, WRAM account only applies to general meter customers and not flat rate customers. Due to the accelerated flat to meter conversion in Arden Cordova, GSWC would request to include the flat rate meter customers in WRAM to avoid confusion and simplify

WRAM tracking.

DRA does not recommend the approval of this request.

Resolution:
The Parties agree that GSWC will withdraw request #10.

18.9 Special Request 11.Inclusion of Bay Point ratemaking treatment of Asset Lease Agreement

GSWC's Request and DRA's Position:
GSWC requested that the ratemaking treatment related to the Hill Street Water Treatment Facility which was resolved in D.11-09-017 for application A.10-01-009 to be incorporated in the final rates adopted in the instant proceeding.

DRA recommended the approval of this request.

Further as noted in Decision 10-06-031 the Commission needs to address the cost to demolish the Hill Street Water Treatment Plant, "DRA lowers the estimated cost to demolish the Hill Street plant from $445,000 to $370,000", yet neither Decision 11-09-017, which was not issued at the time GSWC filed this application, nor DRA address these costs. The Commission should address these costs in this proceeding.

Resolution:
The Parties agree that to incorporate the ratemaking treatment of Asset Lease Agreement, the Utility Plant of Bay Point should be reduced by $2,929,670 and the depreciation reserve reduced by $1,965,119.

Further The Parties agree that GSWC will include $370,000 for costs to demolish the Hill Street Water Treatment Plant in Bay Point's rate base.

18.10 Special Request 12. General Office Remediation

GSWC requested $2,327,260 plus overhead and contingency for the GO Remediation project. To encourage GSWC to continue to pursue insurance proceeds, DRA recommended the approval of this request with a 50% reduction.

See Section 18.3 Special Request 4 item 29 ("GOMMA").

Resolution:
DRA reviewed the work papers, invoices and discovery responses pertaining to this project and agreed to include the project with a total cost including overhead of $2,327,260 in GSWC's 2012 plant.

This request is included in the 2012 General Office Plant Additions table in Section 11.2.

19.0 Other Issues

19.1 Low Income Program ("CARW") –
GSWC's Request and DRA's Position:
GSWC proposed to keep the current low income ratepayer assistance ("LIRA") program in the seven ratemaking districts in Region 1, Region 2 and Region 3. The key components of the proposal were; eligibility for the program would be based on household income and household sizes. DRA agrees with GSWC's request.

Resolution:
The Parties agreed to keep LIRA benefit at a fixed amount calculated by applying a 15% discount to the average monthly bill of a typical CARW customer's usage for each Region. The meter size used in the monthly calculation is 5/8" which is a typical CARW customer's meter. The

average usage used in calculating the monthly bill is 12 ccf, for Region 1, 12 ccf for Region 2, and 13 ccf Region 3. The discount amounts in this settlement will remain in effect until the next GRC.

The Parties also agreed GSWC would continue recovering the costs of the program through a commodity charge at the time the discount is provided and GSWC will establish a balancing account to track the income and expense of the program. DRA agrees that the surcharge calculation should include residual balances from previous CARW accounts.

The details are as follows:

A. ELIGIBLE CUSTOMERS

The Parties agree that the LIRA program will provide low income assistance to all eligible residential customers with 5/8"x 3/4" and 3/4" metered service who meet the income level for the California Alternate Rates For Energy ("CARE") Program.

The Parties agree that qualifying customers will provide either proof of participation in the CARE program of Pacific Gas and Electric, Southern California Edison ("SCE") or Southern California Gas Company by submitting a copy of a utility bill; or customers who meet CARE income requirements but do not participate in a CARE program may qualify by submitting a self-certification form as proof of income.9

The Parties agree that GSWC is authorized to conduct random post-enrollment eligibility verification of self-certifying customers.

[9] CARE program allows customers to self-verify and submit proof of income upon request.

The Parties agree that non-profit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers that are enrolled in the CARE program will qualify for LIRA.

B. LOW-INCOME CREDIT

The Parties agree that eligible customers will receive a flat monthly credit as shown in the table below[10]. This amount was chosen because it represents approximately 15 percent of a typical CARW customer's bill without the discount.

Table 18.4
Low-Income Credit ($)

	GSWC	DRA	Stipulated *
CSA	2013 - 2015	2013 - 2015	2013 - 2015
Arden Cordova	$ 4.00	$ 4.00	$ 3.00
Arden Cordova Flat	$ 9.00	$ 9.00	$ 9.00
Bay Point	$ 14.00	$ 14.00	$ 12.00
Clearlake	$ 18.00	$ 18.00	$ 17.00
Los Osos	$ 18.00	$ 18.00	$ 14.00
Ojai	$ 12.00	$ 12.00	$ 11.00
Santa Maria	$ 6.00	$ 6.00	$ 5.00
Simi Valley	$ 8.00	$ 8.00	$ 8.00
Region 2	$ 10.00	$ 10.00	$ 9.00
Region 3	$ 9.00	$ 9.00	$ 8.00

* Discounts will be calculated based on final rates adopted in this proceeding.

The Parties also agree to the following:

- Credits will be adjusted only during future general rate case proceedings if necessary.

[10] Final CARW discounts will be calculated at the time of the final decision when disputed items are resolved. The amounts shown in the table are estimates of the CARW discount at GSWC's and DRA's stipulated positions.

- Non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers will receive a flat monthly credit of $20.00.
- GSWC agrees to identify LIRA assistance on its monthly bills as "Low Income Credit."

C. NOTICE AND ELIGIBILITY RENEWAL

The Parties agree that GSWC will send two notices to its customers in the first year of the program, then annually thereafter. GSWC will print the notices in English, Spanish, and in other languages it finds prominently used by GSWC customers.

The Parties agree further that, similar to the CARE program, qualifying customers will be required to re-qualify every two years.

The Parties also agree GSWC will submit copies of the customer notices and the LIRA application to the Division of Ratepayer Advocates prior to distribution.

D. LOW-INCOME SURCHARGE

The Parties agree GSWC will fund the LIRA program via a monthly volumetric surcharge on every unit of water sold by GSWC.[11] Parties estimate that the volumetric surcharge will be approximately $0.054/Ccf, 0.156/Ccf, $0.082/Ccf for Region 1, Region 2, and Region 3 respectively. Flat rate customers in Arden Cordova will have a surcharge of $1.96 per month. Any under- collection or

[11] A volumetric surcharge rate design ties the surcharge to consumption level where customers pay an equal amount per Ccf of water consumed.

over-collection in the balancing account will be recovered or refunded as part of GSWC's general rate case proceedings.

GSWC agrees to explicitly identify the LIRA surcharges on customer bills. GSWC will not charge this surcharge to customers participating in the LIRA program.

E. EFFECTIVE DATE

The Parties agree that the LIRA Program will be effective upon the implementation of the new rates for this GRC.

F. ACCOUNTING TREATMENT

The Parties agree that GSWC can implement a balancing account to record all surcharge revenues and costs related to the implementation and administration of the LIRA program. The balancing account will accrue interest at the 90-day commercial paper rate. Necessary adjustments to the surcharge will be made in the general rate cases or in an Advice Letter if any significant over/under-collection is evident.

The Parties agree that GSWC will provide an annual summary report of the LIRA program to the Commission's Water Division and DRA, and to continue program review in its future general rate cases. The annual summary report will contain the status of the program including an accounting of benefits provided and surcharges collected, evaluation of costs, participation level, proposed improvements to the program, as well as the status of the balancing account.

The Parties agree to file for amortization of the residual balance via an advice letter filing within 30 days after the effective date of CARW program for this GRC.

19.2 Decision (D.) 11-12-034 –

GSWC's Request and DRA's Position:

After GSWC filed its application in this proceeding, the Commission issued D.11-12-034, which approved a settlement agreement between GSWC and the Commission's Division of Water and Audits. As part of the settlement, GSWC agreed to refund $9.5 Million to customers. DRA recommended that the refund should be incorporated into the final decision in this proceeding.

Resolution:

GSWC has already filed and implemented advice letters to begin refunding the $9.5 Million settlement amount to customers, effective March 1, 2012. Therefore, the Parties agree that there is no further action needed in this proceeding on this issue.

20.0 TERMS AND CONDITIONS - APPROVAL BY THE COMMISSION

20.1 The Parties agree that within three days of their execution of this Settlement they will jointly file this Settlement for Commission approval by motion under Commission Rule 12.1(a). In their joint motion, the Parties will ask that the Commission expeditiously consider and approve this Settlement, without condition or modification, and in any case issue a decision within ninety (90) days of the date of the joint motion.

20.2 The Parties agree to support this Settlement and use their best efforts to secure the Commission's approval of this Settlement in its entirety and without condition or modification.

20.3 The Parties agree to defend this Settlement before the Commission if the Commission's adoption of this Settlement is opposed by anyone else.

21.0 GOVERNING LAW

21.1 This Settlement shall be governed by the laws of the State of California as to all matters, including validity, construction, effect, performance, and remedy.

22.0 CONCLUSION

22.1 The Parties mutually believe that, based on the terms and conditions set forth above, this Settlement is reasonable, consistent with the law, and in the public interest.

22.2 Each Party to this Settlement represents that his or her signature to this Settlement binds his or her respective Party to the terms of this Settlement.

Dated: September 28, 2012

/s/ JOSEPH P. COMO

JOSEPH P. COMO
Division of Ratepayer Advocates
Acting Director
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102
(415) 703-2381

Dated: September 28, 2012

/s/ KEITH SWITZER

KEITH SWITZER
Vice President of Regulatory Affairs

Golden State Water Company
630 East Foothill Boulevard
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(909) 394-3600

Dated: September 28, 2012

/s/ CHRISTINE MAILLOUX

CHRISTINE MAILLOUX
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APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Arden Cordova A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	10,371.3	(440.2)	9,931.1	(4.8)	9,935.9
Oper. & Maint. Expenses					
Purchased Water	0.0	0.0	0.0	0.0	0.0
Purchased Power	1,241.6	(91.1)	1,150.5	(0.0)	1,150.5
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	107.4	(0.0)	107.4	16.1	91.3
Common Cust. Acct	355.1	(5.8)	349.3	6.3	343.0
Common Cust. Acct	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	35.0	(11.2)	23.8	9.6	14.2
Oper-Labor	684.9	(28.5)	656.4	3.5	652.9
Oper-Others	311.6	(24.5)	287.1	24.5	262.6
Maint-Labor	139.5	(5.8)	133.7	0.7	133.0
Maint-Others	280.7	(10.0)	270.7	9.9	260.8
Conservation Expen	140.4		100.0		72.7
Costs removed from capital budget					0.0
A&G Expenses					
Office Supplies	58.3	(3.5)	54.8	3.4	51.4
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	70.1	(8.5)	61.6	(5.1)	66.8
Pension & Benefits	356.1	(3.2)	352.9	0.0	352.9
Business Meals	1.4	0.0	1.4	0.0	1.4
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	187.9	(2.9)	185.0	2.9	182.1
Misc	42.1	(0.8)	41.3	0.8	40.5
Alloc Gen Office	1,460.5	(103.5)	1,357.0	69.0	1,288.0
Alloc Centralized Op	1,319.4	(113.3)	1,206.1	70.1	1,136.0
Alloc District Office	632.8	0.8	633.6	160.1	473.5
Maintenance	21.8	(0.3)	21.5	0.3	21.2
Rent	49.8	(14.5)	35.2	0.0	35.2
A & G Exp. Capitaliz	0.0	0.0	0.0	0.0	0.0
A&G Labor	85.6	(3.6)	82.1	0.5	81.6
Depreciation	2,015.6	(91.0)	1,924.6	(52.6)	1,977.2
Other Taxes					
Property Taxes	463.7	(9.7)	454.0	(3.8)	457.8
Payroll Taxes	74.9	(3.3)	71.6	0.4	71.2
Local Taxes	65.7	(2.8)	62.9	0.0	62.9
Income Taxes	(37.3)	(33.1)	(70.4)	(177.0)	106.6
Adjustment of GO Capitalized E	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	10,164.6	(610.4)	9,554.2	166.9	9,387.3
Net Operating Revenues	206.6	170.2	376.9	(171.7)	548.6
Rate Base	18,043.7	(2,076.9)	15,966.8	1,364.0	14,602.8
Rate of Return	1.15%		2.36%		3.76%
AT PROPOSED RATES:					
Operating Revenues	12,887.3	(1,080.3)	11,807.0	589.3	11,217.7
Uncollectibles	43.5	(15.1)	28.3	12.3	16.0
Local Taxes	81.7	(6.8)	74.8	3.8	71.0
Income Taxes	1,055.0	(310.2)	744.8	117.4	627.4
Adjustment to match DRA report					
Total Expenses After Taxes	11,281.4	(895.6)	10,385.8	467.7	9,918.1
Net Operating Revenues	1,605.9	(184.7)	1,421.2	121.6	1,299.6
Rate Base	18,043.7	(2,076.9)	15,966.8	1,364.0	14,602.8
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Bay Point A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	5,851.6	(223.6)	5,628.1	(223.6)	5,851.7
Oper. & Maint. Expenses					
Purchased Water	1,965.6	0.0	1,965.6	0.0	1,965.6
Purchased Power	112.5	0.0	112.5	(0.0)	112.5
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	2.0	0.0	2.0	(0.0)	2.0
Common Cust. Acct. (G.O.)	77.4	(1.3)	76.1	1.1	75.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	32.6	(6.4)	26.2	(1.0)	27.3
Oper-Labor	284.3	(0.1)	284.2	7.6	276.6
Oper-Others	87.0	0.1	87.1	2.6	84.5
Maint-Labor	40.6	(0.0)	40.6	1.1	39.5
Maint-Others	122.5	(7.7)	114.8	4.2	110.6
Conservation Expenses	19.0	(7.6)	11.4	5.0	6.4
Special Request #11 Adjustment					(137.0)
A&G Expenses					
Office Supplies	55.0	0.0	55.0	0.0	55.0
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	34.8	(4.3)	30.5	(2.5)	33.0
Pension & Benefits	159.6	(1.4)	158.2	0.0	158.2
Business Meals	0.9	0.0	0.9	(0.0)	0.9
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	29.1	0.0	29.1	(0.0)	29.1
Misc	6.6	(2.0)	4.6	2.1	2.5
Alloc Gen Office	319.3	(23.9)	295.4	13.4	282.0
Alloc Centralized Ops(COPS	287.3	(24.7)	262.7	15.7	247.0
Alloc District Office	138.1	0.2	138.2	34.9	103.3
Maintenance	3.2	0.0	3.2	(0.0)	3.2
Rent	31.1	0.0	31.1	0.0	31.1
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	18.4	(0.0)	18.4	0.5	17.9
Depreciation	705.9	(161.7)	544.2	(82.1)	626.3
Other Taxes					
Property Taxes	122.5	(24.1)	98.4	(11.3)	109.7
Payroll Taxes	28.3	(0.1)	28.2	(0.0)	28.2
Local Taxes	72.7	(2.8)	69.9	(2.5)	72.4
Income Taxes	278.0	48.3	326.3	(122.2)	448.5
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	5,034.4	(219.7)	4,814.8	3.5	4,811.3
Net Operating Revenues	817.2	(3.9)	813.3	(227.1)	1,040.4
Rate Base	14,136.2	(3,320.9)	10,815.4	1,925.0	8,890.4
Rate of Return	5.78%		7.52%		11.70%
AT PROPOSED RATES:			4.80%		
Operating Revenues	6,651.2	(753.2)	5,898.0	495.0	5,403.0
Uncollectibles	37.1	(9.6)	27.5	2.3	25.2
Local Taxes	82.6	(9.4)	73.3	6.4	66.8
Income Taxes	622.2	(179.6)	442.6	186.0	256.6
Adjustment to match DRA report					
Total Expenses After Taxes	5,393.0	(457.3)	4,935.7	324.0	4,611.7
Net Operating Revenues	1,258.2	(295.9)	962.3	171.1	791.2
Rate Base	14,136.2	(3,320.9)	10,815.4	1,925.0	8,890.4
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Clearlake A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	2,059.0	0.0	2,059.0	0.1	2,058.9
Oper. & Maint. Expenses					
Purchased Water	21.5	1.0	22.5	1.0	21.5
Purchased Power	72.6	0.0	72.6	0.0	72.6
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	39.0	0.0	39.0	0.0	39.0
Common Cust. Acct. (G.O.)	26.0	(0.4)	25.6	0.6	25.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	13.0	2.4	15.4	2.5	13.0
Oper-Labor	301.2	(3.2)	297.9	12.9	285.0
Oper-Others	102.0	(10.0)	92.0	10.5	81.5
Maint-Labor	57.3	(0.6)	56.7	2.5	54.2
Maint-Others	63.7	0.0	63.7	14.1	49.6
Conservation Expenses	5.1	(1.2)	3.9	2.5	1.4
Costs removed from capital budget					
A&G Expenses					
Office Supplies	53.4	(0.4)	53.0	0.0	53.0
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	27.2	(3.3)	23.9	(2.0)	25.9
Pension & Benefits	132.5	(1.2)	131.3	0.0	131.3
Business Meals	1.2	0.0	1.2	(0.0)	1.2
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	7.2	(0.1)	7.1	0.0	7.1
Misc	0.8	(0.2)	0.6	0.1	0.5
Alloc Gen Office	107.3	(7.2)	100.1	5.1	95.0
Alloc Centralized Ops(COPS	96.4	(8.3)	88.1	5.1	83.0
Alloc District Office	46.2	0.1	46.3	11.7	34.6
Maintenance	1.2	0.0	1.2	(0.0)	1.2
Rent	14.1	0.0	14.1	0.0	14.1
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	20.7	(0.2)	20.4	0.8	19.6
Depreciation	239.2	(14.3)	224.9	(13.3)	238.2
Other Taxes					
Property Taxes	39.4	(1.6)	37.8	(1.4)	39.2
Payroll Taxes	31.2	(0.4)	30.8	(0.3)	31.1
Local Taxes	0.1	0.0	0.1	0.0	0.1
Income Taxes	163.4	18.1	181.5	(18.5)	200.0
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	1,682.8	(30.9)	1,651.9	34.0	1,617.9
Net Operating Revenues	376.2	30.9	407.0	(33.9)	441.0
Rate Base	5,211.5	(277.8)	4,933.6	(117.0)	5,050.7
Rate of Return	7.22%		8.25%		8.73%
AT PROPOSED RATES:					
Operating Revenues	2,216.1	(100.1)	2,116.0	42.0	2,074.0
Uncollectibles	14.0	1.9	15.8	2.8	13.1
Local Taxes	0.1	(0.0)	0.1	0.0	0.1
Income Taxes	231.9	(25.5)	206.4	(0.1)	206.5
Adjustment to match DRA report					
Total Expenses After Taxes	1,752.3	(75.1)	1,677.2	52.7	1,624.5
Net Operating Revenues	463.8	(25.0)	438.8	(10.7)	449.5
Rate Base	5,211.5	(277.8)	4,933.6	(117.0)	5,050.7
Rate of Return	8.90%		8.89%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Los Osos A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	3,040.5	3.6	3,044.1	3.6	3,040.5
Oper. & Maint. Expenses					
Purchased Water	0.0	0.0	0.0	0.0	0.0
Purchased Power	181.2	0.0	181.2	0.0	181.2
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	268.7	0.0	268.7	(0.0)	268.7
Common Cust. Acct. (G.O.)	46.8	(0.8)	46.0	1.0	45.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	3.4	1.0	4.4	1.0	3.4
Oper-Labor	320.9	(0.7)	320.2	47.5	272.7
Oper-Others	177.1	(0.2)	176.9	2.9	174.0
Maint-Labor	57.9	(0.1)	57.8	8.6	49.2
Maint-Others	362.3	0.0	362.3	0.0	362.3
Conservation Expenses	12.4	(3.9)	8.5	2.1	6.3
Special Request		0.0		0.0	
A&G Expenses					
Office Supplies	48.4	(0.2)	48.2	0.0	48.2
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	28.6	(3.5)	25.1	(2.0)	27.2
Pension & Benefits	175.9	(1.6)	174.3	0.0	174.3
Business Meals	0.9	0.0	0.9	(0.0)	0.9
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	5.6	0.0	5.6	(0.0)	5.6
Misc	0.8	(0.3)	0.5	0.3	0.2
Alloc Gen Office	193.7	(15.9)	177.8	7.8	170.0
Alloc Centralized Ops(COPS	173.9	(14.9)	159.0	9.0	150.0
Alloc District Office	78.4	(1.2)	77.2	14.8	62.4
Maintenance	6.2	(1.6)	4.6	1.7	2.9
Rent	1.1	0.0	1.1	0.0	1.1
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	45.8	(0.1)	45.7	6.8	38.9
Depreciation	572.2	(22.1)	550.1	23.6	526.5
Other Taxes					
Property Taxes	97.3	(2.5)	94.8	4.4	90.4
Payroll Taxes	35.0	(0.2)	34.8	(0.1)	34.9
Local Taxes	0.0	0.0	0.0	0.0	0.0
Income Taxes	(90.4)	1.7	(88.7)	(99.1)	10.4
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	2,803.9	(66.9)	2,736.9	30.3	2,706.7
Net Operating Revenues	236.6	70.5	307.1	(26.7)	333.8
Rate Base	11,979.3	(863.4)	11,115.9	2,616.6	8,499.4
Rate of Return	1.98%		2.76%		3.93%
AT PROPOSED RATES:					
Operating Revenues	4,519.2	(258.2)	4,261.0	504.0	3,757.0
Uncollectibles	5.0	1.1	6.1	2.0	4.2
Local Taxes	0.0	0.0	0.0	0.0	0.0
Income Taxes	557.1	(113.0)	444.1	140.6	303.5
Adjustment to match DRA report					
Total Expenses After Taxes	3,453.0	(181.6)	3,271.5	270.9	3,000.6
Net Operating Revenues	1,066.2	(76.7)	989.5	233.1	756.4
Rate Base	11,979.3	(863.4)	11,115.9	2,616.6	8,499.4
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Ojai A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	5,382.2	187.9	5,570.2	187.9	5,382.3
Oper. & Maint. Expenses					
Purchased Water	504.5	(150.4)	354.1	(150.4)	504.5
Purchased Power	230.1	0.0	230.1	0.0	230.1
Pump Taxes	35.8	0.0	35.8	(0.0)	35.8
Chemicals	36.2	0.0	36.2	0.0	36.2
Common Cust. Acct. (G.O.)	58.9	(1.0)	57.9	0.9	57.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	8.0	2.5	10.4	2.5	8.0
Oper-Labor	341.0	(3.4)	337.6	16.3	321.3
Oper-Others	108.2	(80.0)	28.2	(76.6)	104.8
Maint-Labor	108.3	(1.1)	107.3	5.2	102.1
Maint-Others	371.6	(17.9)	353.7	0.0	353.7
Conservation Expenses	14.1	(5.1)	9.0	1.7	7.3
Special Request					
A&G Expenses					
Office Supplies	55.5	(0.3)	55.2	0.3	54.9
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	38.5	(4.7)	33.8	(2.8)	36.6
Pension & Benefits	158.4	(1.4)	157.0	0.0	157.0
Business Meals	2.9	0.0	2.9	0.0	2.9
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	15.0	(0.1)	14.9	0.0	14.9
Misc	5.5	(0.3)	5.2	0.3	4.9
Alloc Gen Office	243.4	(18.1)	225.3	11.3	214.0
Alloc Centralized Ops(COPS)	219.3	(18.8)	200.4	11.4	189.0
Alloc District Office	99.0	(1.5)	97.5	18.7	78.8
Maintenance	12.9	(3.1)	9.8	3.0	6.8
Rent	45.2	(1.5)	43.7	0.0	43.7
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	54.0	(0.5)	53.4	2.5	50.9
Depreciation	821.1	(31.6)	789.5	(19.0)	808.5
Other Taxes					
Property Taxes	116.2	(2.5)	113.7	(0.7)	114.4
Payroll Taxes	41.4	(0.5)	40.9	(0.4)	41.3
Local Taxes	57.4	2.0	59.4	2.1	57.3
Income Taxes	402.4	223.5	625.9	168.5	457.4
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	4,205.0	(116.1)	4,088.9	(5.2)	4,094.1
Net Operating Revenues	1,177.3	304.0	1,481.3	193.1	1,288.2
Rate Base	18,146.9	(1,001.9)	17,145.0	1,012.7	16,132.3
Rate of Return	6.49%		8.64%	0.0	7.99%
AT PROPOSED RATES:					
Operating Revenues	6,171.4	(520.4)	5,651.0	13.2	5,637.8
Uncollectibles	9.1	1.4	10.6	2.2	8.3
Local Taxes	65.9	(5.6)	60.3	0.2	60.1
Income Taxes	744.2	(83.4)	660.8	98.7	562.1
Adjustment to match DRA report					
Total Expenses After Taxes	4,556.4	(431.5)	4,124.9	(77.1)	4,202.0
Net Operating Revenues	1,615.1	(88.9)	1,526.1	90.4	1,435.8
Rate Base	18,146.9	(1,001.9)	17,145.0	1,012.7	16,132.3
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Santa Maria A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	9,505.7	0.8	9,506.5	0.8	9,505.7
Oper. & Maint. Expenses					
Purchased Water	67.7	0.0	67.7	(0.0)	67.7
Purchased Power	1,245.3	0.0	1,245.3	0.0	1,245.3
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	60.9	0.0	60.9	(0.0)	60.9
Common Cust. Acct. (G.O.)	203.2	(3.3)	199.9	3.9	196.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	13.1	(3.7)	9.4	0.0	9.4
Oper-Labor	622.3	(26.6)	595.8	33.0	562.8
Oper-Others	558.4	(7.9)	550.5	7.7	542.8
Maint-Labor	172.6	(7.4)	165.2	9.1	156.1
Maint-Others	404.0	(3.7)	400.3	3.8	396.5
Conservation Expenses	77.5	(33.1)	44.5	11.7	32.7
Costs removed from capital bu	0.0	0.0		0.0	0.0
A&G Expenses				0.0	
Office Supplies	104.7	(4.7)	100.0	0.1	99.9
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	69.3	(9.8)	59.6	(5.0)	64.5
Pension & Benefits	330.5	(2.9)	327.6	0.0	327.6
Business Meals	1.6	0.0	1.6	(0.0)	1.6
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	9.1	(0.1)	9.0	0.1	8.9
Misc	1.1	(0.2)	0.9	0.2	0.7
Alloc Gen Office	837.6	(58.9)	778.7	39.7	739.0
Alloc Centralized Ops(COPS)	756.1	(64.9)	691.2	40.2	651.0
Alloc District Office	340.6	(5.2)	335.4	64.3	271.1
Maintenance	8.3	(0.3)	8.0	0.3	7.7
Rent	101.0	0.0	101.0	0.0	101.0
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	66.0	(2.8)	63.2	3.5	59.7
Depreciation	1,142.3	(26.1)	1,116.2	(11.4)	1,127.6
Other Taxes					
Property Taxes	166.0	(0.6)	165.4	1.1	164.3
Payroll Taxes	70.9	(3.2)	67.6	(3.1)	70.7
Local Taxes	0.0	0.0	0.0	0.0	0.0
Income Taxes	596.1	72.2	668.3	(70.5)	738.8
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	8,026.1	(193.1)	7,833.0	128.6	7,704.4
Net Operating Revenues	1,479.6	194.0	1,673.5	(127.8)	1,801.3
Rate Base	25,324.0	(1,237.0)	24,087.0	1,748.9	22,338.1
Rate of Return	5.84%		6.95%		8.06%
AT PROPOSED RATES:					
Operating Revenues	10,886.3	(541.3)	10,345.0	522.2	9,822.8
Uncollectibles	15.0	(4.7)	10.2	0.5	9.7
Local Taxes	0.0	0.0	0.0	0.0	0.0
Income Taxes	1,200.5	(165.0)	1,035.5	166.7	868.8
Adjustment to match DRA report					
Total Expenses After Taxes	8,632.4	(431.4)	8,201.1	366.4	7,834.7
Net Operating Revenues	2,253.8	(109.9)	2,143.9	155.8	1,988.1
Rate Base	25,324.0	(1,237.0)	24,087.0	1,748.9	22,338.1
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Simi Valley A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	11,819.0	95.4	11,914.5	95.4	11,819.1
Oper. & Maint. Expenses					
Purchased Water	7,764.5	0.0	7,764.5	(0.0)	7,764.5
Purchased Power	133.4	0.0	133.4	0.0	133.4
Pump Taxes	0.0	0.0	0.0	0.0	0.0
Chemicals	2.7	0.0	2.7	(0.0)	2.7
Common Cust. Acct. (G.O.)	221.1	(3.6)	217.5	4.5	213.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	30.3	(3.4)	26.9	0.2	26.7
Oper-Labor	319.0	0.0	319.0	13.5	305.5
Oper-Others	96.2	0.0	96.2	1.8	94.4
Maint-Labor	91.9	0.0	91.9	3.9	88.0
Maint-Others	68.5	0.0	68.5	0.0	68.5
Conservation Expenses	79.2	(34.9)	44.3	21.8	22.5
Special Request					
A&G Expenses					
Office Supplies	37.7	0.1	37.8	0.0	37.8
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	42.6	(5.2)	37.4	(3.1)	40.5
Pension & Benefits	205.6	(1.8)	203.8	0.0	203.8
Business Meals	1.3	0.0	1.3	(0.0)	1.3
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	11.8	(2.9)	8.9	2.9	6.0
Misc	7.9	(1.5)	6.4	1.6	4.8
Alloc Gen Office	910.9	(64.6)	846.3	41.3	805.0
Alloc Centralized Ops(COPS)	822.3	(70.6)	751.7	43.7	708.0
Alloc District Office	369.8	(5.6)	364.2	69.9	294.3
Maintenance	5.1	(0.3)	4.8	0.2	4.6
Rent	46.4	(3.1)	43.3	0.0	43.3
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	77.1	0.0	77.1	3.3	73.8
Depreciation	628.0	(22.8)	605.1	(10.2)	615.3
Other Taxes				0.0	
Property Taxes	126.6	(2.2)	124.4	0.2	124.2
Payroll Taxes	40.2	(0.1)	40.1	(0.0)	40.1
Local Taxes	154.3	1.2	155.5	1.6	153.9
Income Taxes	(256.3)	76.5	(179.8)	(71.8)	(108.0)
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	12,038.0	(144.7)	11,893.3	125.3	11,768.0
Net Operating Revenues	(218.9)	240.1	21.2	(29.9)	51.1
Rate Base	12,170.5	(1,993.3)	10,177.2	1,318.2	8,859.0
Rate of Return	-1.80%		0.21%		0.58%
AT PROPOSED RATES:					
Operating Revenues	14,174.5	(660.5)	13,514.0	370.0	13,144.0
Uncollectibles	36.4	(5.9)	30.5	0.8	29.7
Local Taxes	185.0	(8.6)	176.4	5.3	171.1
Income Taxes	760.3	(249.5)	510.8	51.5	459.3
Adjustment to match DRA report					
Total Expenses After Taxes	13,091.4	(483.0)	12,608.4	252.8	12,355.5
Net Operating Revenues	1,083.1	(177.4)	905.6	117.2	788.5
Rate Base	12,170.5	(1,993.3)	10,177.2	1,318.2	8,859.0
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 2 RMA A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	115,121.1	(1.5)	115,119.6	(0.3)	115,119.8
Oper. & Maint. Expenses					
Purchased Water	26,231.1	474.1	26,705.1	7,830.9	18,874.2
Purchased Power	1,733.0	0.0	1,733.0	(443.7)	2,176.7
Pump Taxes	8,520.7	0.0	8,520.7	(2,333.3)	10,854.0
Chemicals	1,065.1	120.0	1,185.1	(69.6)	1,254.7
Common Cust. Acct. (G.O.)	2,059.4	(33.6)	2,025.8	38.8	1,987.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	383.1	(18.2)	364.9	(0.0)	364.9
Oper-Labor	3,268.9	(21.6)	3,247.2	46.3	3,200.9
Oper-Others	2,974.7	(165.0)	2,809.7	(0.1)	2,809.8
Maint-Labor	1,048.7	(6.9)	1,041.8	14.8	1,027.0
Maint-Others	4,126.8	(136.9)	3,989.9	136.8	3,853.1
Conservation Expenses	599.2	(235.6)	363.6	70.3	293.3
Special Request					
A&G Expenses					
Office Supplies	321.0	0.0	321.0	(0.0)	321.0
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	411.3	(51.9)	359.5	(29.9)	389.4
Pension & Benefits	1,850.0	60.3	1,910.3	77.5	1,832.8
Business Meals	7.4	0.0	7.4	(0.0)	7.4
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	150.4	(4.2)	146.2	4.2	142.0
Misc	5.3	(1.9)	3.4	1.9	1.5
Alloc Gen Office	8,472.5	(583.3)	7,889.2	405.2	7,484.0
Alloc Centralized Ops(COPS	7,659.5	(657.8)	7,001.7	404.7	6,597.0
Alloc District Office	3,500.0	178.5	3,678.5	741.2	2,937.3
Maintenance	38.6	(0.8)	37.8	0.7	37.1
Rent	406.7	(8.8)	397.9	9.4	388.5
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	897.9	(5.9)	892.0	12.6	879.4
Depreciation	13,824.3	(786.8)	13,037.5	(44.2)	13,081.7
Other Taxes				0.0	
Property Taxes	3,495.1	(132.3)	3,362.9	46.3	3,316.6
Payroll Taxes	429.3	(4.1)	425.2	5.9	419.3
Local Taxes	1,349.4	(0.0)	1,349.4	6.7	1,342.6
Income Taxes	3,801.4	765.8	4,567.2	(2,431.4)	6,998.6
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	98,630.9	(1,257.0)	97,373.9	4,502.0	92,871.8
Net Operating Revenues	16,490.2	1,255.5	17,745.7	(4,502.3)	22,248.0
Rate Base	326,856.5	(14,887.5)	311,969.0	20,894.0	291,075.0
Rate of Return	5.05%		5.69%		7.64%
AT PROPOSED RATES:					
Operating Revenues	137,900.6	(4,669.6)	133,231.0	11,739.1	121,491.9
Uncollectibles	458.9	(36.6)	422.3	37.2	385.1
Local Taxes	1,616.4	(54.7)	1,561.6	144.7	1,416.9
Income Taxes	13,637.6	(1,248.6)	12,389.0	2,770.6	9,618.4
Adjustment to match DRA report				0.0	
Total Expenses After Taxes	108,809.9	(3,344.5)	105,465.4	9,879.2	95,586.2
Net Operating Revenues	29,090.7	(1,325.1)	27,765.6	1,859.9	25,905.7
Rate Base	326,856.5	(14,887.5)	311,969.0	20,894.0	291,075.0
Rate of Return	8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 3 RMA A.11-07-017
TEST YEAR 2013

SUMMARY OF EARNINGS	GSWC	Change	Stipulation	Change	DRA
AT PRESENT RATES:					
Operating Revenues	107,648.3	711.3	108,359.6	(12.8)	108,372.4
Oper. & Maint. Expenses					
Purchased Water	19,171.5	(3,412.3)	15,759.2	155.0	15,604.2
Purchased Power	3,332.9	198.4	3,531.3	(33.9)	3,565.2
Pump Taxes	5,561.0	1,395.8	6,956.8	89.6	6,867.2
Chemicals	2,009.9	0.0	2,009.9	(86.4)	2,096.3
Common Cust. Acct. (G.O.)	2,035.7	(33.2)	2,002.5	38.5	1,964.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0
Uncollectibles	247.1	(19.5)	227.6	21.6	205.9
Oper-Labor	4,067.0	(48.9)	4,018.2	55.9	3,962.3
Oper-Others	2,526.9	(12.8)	2,514.1	23.9	2,490.2
Maint-Labor	1,844.4	(22.2)	1,822.2	25.3	1,796.9
Maint-Others	7,606.0	(706.0)	6,900.0	815.6	6,084.4
Conservation Expenses	769.6	(356.0)	413.6	154.9	258.7
Special Request					
A&G Expenses					
Office Supplies	652.8	(2.6)	650.2	2.5	647.7
Insurance	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	623.7	(79.7)	544.1	(49.9)	594.0
Pension & Benefits	2,732.5	(27.8)	2,704.7	0.0	2,704.7
Business Meals	7.0	(0.4)	6.6	0.4	6.2
Regulatory Comm	0.0	0.0	0.0	0.0	0.0
Outside Services	272.8	(20.8)	252.0	21.8	230.2
Misc	17.3	(3.2)	14.1	3.1	11.0
Alloc Gen Office	8,383.6	(599.5)	7,784.1	390.1	7,394.0
Alloc Centralized Ops(COPS	7,568.8	(650.0)	6,918.8	399.8	6,519.0
Alloc District Office	4,576.4	(138.3)	4,438.1	122.7	4,315.4
Maintenance	80.8	(0.4)	80.4	0.0	80.4
Rent	229.8	(13.0)	216.8	(0.0)	216.8
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0
A&G Labor	1,057.8	(12.7)	1,045.1	14.6	1,030.5
Depreciation	13,656.4	(557.7)	13,098.6	81.1	13,017.5
Other Taxes					
Property Taxes	2,841.8	(71.6)	2,770.2	54.0	2,716.2
Payroll Taxes	573.7	(8.6)	565.1	6.2	558.9
Local Taxes	1,032.5	6.8	1,039.4	2.1	1,037.3
Income Taxes	1,934.2	2,185.4	4,119.6	(840.6)	4,960.2
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	95,413.7	(3,010.6)	92,403.1	1,467.9	90,935.2
Net Operating Revenues	12,234.6	3,721.9	15,956.5	(1,480.7)	17,437.2
Rate Base	298,304.7	(16,873.6)	281,431.1	26,329.1	255,102.0
Rate of Return	4.10%		5.67%		6.84%
AT PROPOSED RATES:					
Operating Revenues	133,444.3	(8,705.3)	124,739.0	7,208.0	117,531.0
Uncollectibles	306.3	(44.3)	262.0	38.6	223.3
Local Taxes	1,280.0	(83.5)	1,196.5	71.5	1,125.0
Income Taxes	13,108.6	(1,892.2)	11,216.4	2,469.7	8,746.7
Adjustment to match DRA report					
Total Expenses After Taxes	106,894.8	(7,203.4)	99,691.5	4,864.6	94,826.9
Net Operating Revenues	26,549.4	(1,501.9)	25,047.5	2,343.5	22,704.1
Rate Base	298,304.7	(16,873.6)	281,431.1	26,329.1	255,102.0
Rate of Return	8.90%		8.90%		8.90%

GENERAL OFFICE CONTINGENCY & OVERHEAD

CONTINGENCY	2012	2013	2014
GSWC	10.0%	10.0%	10.0%
DRA	2.5%	2.5%	2.5%
Stipulated	2.5%	2.5%	5.0%

OVERHEAD	2012	2013	2014
GSWC	18.01%	17.24%	17.05%
DRA	18.01%	17.24%	17.05%
Stipulated	22.00%	22.00%	22.00%

CORPORATE SUPPORT CAPITAL BUDGETS

FACILITY

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2011	General Office Remediation	$ 2,327,260	$ 1,006,715	$ 2,327,260	*
2011	General Office Window Replacement	$ 75,500	$ 61,594	$ 73,900	*
		$ 2,402,760	**$ 1,068,309**	**$ 2,401,160**	

HUMAN CAPITAL MANAGEMENT

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Replace Laser Printer in HCM Work Area at GO	$ 2,700	$ 2,700	$ 2,800
2012	Replace EDU Digital SLR Camera	$ 1,600	$ 1,600	$ 1,600
2013	Replace LCD Projection System in GO EDU Learning Center & PC Lab	$ 22,700	$ 22,700	$ 23,500
2013	Replace Existing Digital Video Camera	$ 6,500	$ 6,500	$ 6,800
2013	5 EDU Training Videos on DVD	$ 6,300	$ 6,300	$ 6,500
2013	Replace 4 Ergonomic Chairs for HCM Staff	$ 1,500	$ 1,500	$ 1,600
2014	Replace EDU Handheld Digital Video Camera	$ 1,400	$ 1,400	$ 1,400
2014	Replace LCD Projection System in Rancho Cordova Office Learning Center	$ 22,600	$ 22,600	$ 23,500
		$ 65,300	**$ 65,300**	**$ 67,700**

INFORMATION TECHNOLOGY

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Microsoft Office Annual True-up	$ 256,100	$ 197,100	$ 250,600	*
2012	Upgrade Cell Repeater at GO	$ 15,300	$ 15,300	$ 15,800	
2012	Additional Storage Capacity	$ 52,400	$ 52,400	$ 54,000	
2012	Data Center Server Refresh Phase 1 of 3	$ 309,500	$ 309,500	$ 319,200	
2012	Intrusion Prevention System (IPS)	$ 338,900	$ 338,900	$ 349,500	
2012	Hardware to Improve Remote Site Support	$ 51,100	$ 51,100	$ 52,700	
2012	Pool Vehicle #1102 - 2003 Ford Windstar	$ 32,500	$ 32,500	$ 33,600	
2012	Pool Vehicle #64288 - 2007 Ford Escape	$ 32,500	$ 32,500	$ 33,600	
2012	Web / Proxy Content Management Software	$ 160,400	$ 160,400	$ 165,800	
2012	Replacement of Stellent Phase 1 of 2	$ 177,000	$ 113,300	$ 183,000	*
2012	Computrace Software	$ 10,900	$ 10,900	$ 11,200	
2013	Microsoft Office Annual True-Up & Renewal	$ 306,700	$ 306,700	$ 319,100	
2013	Data Center Server Refresh Phase 2 of 3	$ 307,600	$ 307,600	$ 319,200	
2013	JD Edwards Upgrade	$ 586,200	$ 586,200	$ 610,000	
2013	Upgrade/replace desktop/server anti-virus software	$ 64,600	$ 64,600	$ 67,300	
2013	Disaster Recovery Center Server Refresh Phase 1 of 2	$ 269,900	$ 269,900	$ 269,900	
2013	Expand Server Virtualization	$ 98,000	$ 98,000	$ 101,600	
2013	Replacement of Stellent Phase 2 of 2	$ 58,600	$ 37,500	$ 61,000	*
2013	Computrace Software	$ 48,500	$ 48,500	$ 50,500	
2014	Microsoft Office Annual True-up	$ 299,600	$ 299,600	$ 312,300	
2014	Data Center Server Refresh Phase 3 of 3	$ 307,200	$ 307,200	$ 319,200	
2014	WAN Performance Improvement	$ 674,100	$ 674,100	$ 700,400	
2014	Disaster Recovery Center Server Refresh Phase 2 of 2	$ 214,700	$ 214,700	$ 223,100	
2014	Upgrade to Windows 9 / Office 2013	$ 57,900	$ 57,900	$ 60,400	
2014	Mobile Service Order Dispatch	$ 511,500	$ -	$ -	*
2014	Pool Vehicle #2016 - 2004 Ford Freestar	$ 32,300	$ 32,300	$ 33,600	
2014	Data Center Storage Refresh	$ 636,000	$ 636,000	$ 660,800	
2014	Replace Backup Solution in Data Center	$ 255,600	$ 255,600	$ 265,600	
2014	Migration to Next Version of MS Exchange	$ 47,900	$ 47,900	$ 49,800	
2014	Computrace Software	$ 10,800	$ 10,800	$ 11,200	
		$ 6,224,300	**$ 5,569,000**	**$ 5,904,000**	

RISK MANAGEMENT

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Parking Lot Resurface and Striping	$ 132,000	$ 72,800	$ 75,000	*
2012	Heat Unit Replacements	$ 53,700	$ 53,700	$ 55,300	

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Emergency Storage - EQ Storage w/ HVAC	$ 38,300	$ -	$ 27,400	*
2012	Emergency Equipment - EQ Prep	$ 70,300	$ 70,300	$ 72,500	
2012	Voice Data and Network Cabling Upgrade - Phase 1 of 2	$ 95,800	$ 91,000	$ 93,900	*
2012	Security Upgrades - gates, intercoms, card readers	$ 3,000	$ 3,000	$ 3,100	
2012	Misc Furniture and Improvements	$ 38,300	$ 38,300	$ 39,500	
2013	Heat Unit Replacements	$ 56,500	$ 56,500	$ 58,700	
2013	Voice Data and Network Cabling Upgrade- Phase 2 of 2	$ 95,200	$ 90,500	$ 93,900	*
2013	Cooling Tower Replacement	$ 230,600	$ 230,600	$ 239,300	
2013	Upgrade Lighting throughout GO	$ 69,800	$ 69,800	$ 72,500	
2013	Convert Spy Room to Usable Office Space	$ 47,000	$ 47,000	$ 48,700	
2013	Raypak Boiler Replacement and Upgrade	$ 87,000	$ 87,000	$ 90,300	
2013	Upgrade Building Fire Alarm System Field Devices	$ 82,500	$ 82,500	$ 85,600	
2014	Heat Unit Replacements	$ 59,800	$ 59,800	$ 62,200	
2014	Solar Panels Assessment	$ 17,800	$ 17,800	$ 18,400	
		$ 1,177,600	**$ 1,070,600**	**$ 1,136,300**	
	Total Blankets	**$ 7,467,200**	**$ 6,704,900**	**$ 7,108,000**	
	Contingency	**$ 746,720**	**$ 167,623**	**$ 246,248**	
	Total Corporate Support	**$ 8,213,920**	**$ 6,872,523**	**$ 7,354,248**	

CENTRALIZED OPERATIONS SUPPORT

ADMINISTRATIVE SUPPORT

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Furniture for Anaheim Offices	$ 11,700	$ 11,700	$ 12,100	
2012	Reconfigure Anaheim Cubicles	$ 2,600	$ 2,600	$ 2,700	
2012	Update of Mitel PBX Voice Mail System - Anaheim	$ 20,100	$ 20,100	$ 20,700	
2012	Update of Mitel PBX Voice Mail System - Santa Fe Springs	$ 15,400	$ 15,400	$ 15,800	
2012	Reconfigure Anaheim Computer Room	$ 40,800	$ 40,800	$ 42,100	
2013	Automatic Vehicle Locating System - Central, SW, OC	$ 89,200	$ -	$ 92,500	*
		$ 179,800	**$ 90,600**	**$ 185,900**	

ASSET MANAGEMENT

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Blankets	$ 44,700	$ 44,700	$ 46,100
2013	Blankets	$ 27,400	$ 27,400	$ 28,500
2014	Blankets	$ 27,900	$ 27,900	$ 29,000
		$ 100,000	**$ 100,000**	**$ 103,600**

CAPITAL PROGRAM MANAGEMENT

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	CPE Vehicle Replacement, Northern #1279	$ 30,700	$ 30,700	$ 31,700
2012	Inspector II Vehicle Replacement, Anaheim #1217	$ 34,800	$ 34,800	$ 35,900
2012	Project Coordinator II Vehicle Replacement, Northern # 2174	$ 34,800	$ 34,800	$ 35,900
2012	Project Coordinator II New Vehicle, Mtn Dsrt	$ 32,100	$ 32,100	$ 33,200
2012	Project Coordinator II Vehicle Replacement, Coastal # 1272	$ 34,800	$ 34,800	$ 35,900
2012	New Pool Vehicle, Coastal/SW	$ 39,600	$ 39,600	$ 40,800
2012	Blankets; Northern District, LO, SM, Anaheim, Ontario	$ 6,400	$ 6,400	$ 6,600
2012	Blankets; Central District, Southwest District, OJ, SV	$ 6,400	$ 6,400	$ 6,600
2013	Inspector II Vehicle Replacement, Mountain-Desert #67478	$ 34,600	$ 34,600	$ 35,900
2013	Blankets; Northern District, LO, SM, Anaheim, Ontario	$ 6,300	$ 6,300	$ 6,600
2013	Blankets; Central District, Southwest District, OJ, SV	$ 6,300	$ 6,300	$ 6,600
2014	Blankets; Northern District, LO, SM, Anaheim, Ontario	$ 6,300	$ 6,300	$ 6,600
2014	Blankets; Central District, Southwest District, OJ, SV	$ 6,300	$ 6,300	$ 6,600
		$ 279,400	**$ 279,400**	**$ 288,900**

CONTRACTS

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Blankets	$ 4,300	$ 4,300	$ 4,500
2013	Blankets	$ 2,800	$ 2,800	$ 3,000
2014	Blankets	$ 3,400	$ 3,400	$ 3,500
		$ 10,500	**$ 10,500**	**$ 11,000**

CUSTOMER SERVICE CENTER

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Call Recording System	$ 181,000	$ 181,000	$ 186,600

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	KVM Console - 16 port	$ 2,200	$ 2,200	$ 2,300	
2012	Teleworker Workstation	$ 10,200	$ -	$ -	*
2012	Agent Wireless Headsets	$ 4,300	$ 4,300	$ 4,400	
2013	Teleworker Workstation	$ 10,100	$ -	$ 10,500	*
2013	Agent Wireless Headsets	$ 4,300	$ 4,300	$ 4,400	
2014	Teleworker Workstation	$ 10,100	$ -	$ 10,500	*
2014	Agent Wireless Headsets	$ 4,200	$ 4,200	$ 4,400	
2014	Cisco Catalyst 3750 48 PT	$ 11,000	$ 11,000	$ 11,500	
		$ 237,400	**$ 207,000**	**$ 234,600**	

ENGINEERING DESIGN

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Replace Design CAD Computer Workstations - 17	$ 54,600	$ 54,600	$ 56,300	
2012	Replace Manager Laptop	$ 3,200	$ 3,200	$ 3,300	
2012	Fax Machine	$ 2,600	$ 2,600	$ 2,700	
2012	AutoCad Network License	$ 17,300	$ 17,300	$ 17,800	
2012	Blankets	$ 5,600	$ 5,600	$ 5,800	
2013	Plotter	$ 33,000	$ 33,000	$ 34,200	
2013	Plan Storage Bin	$ 15,900	$ 11,200	$ 13,200	*
2013	AutoCAD Network License	$ 17,200	$ 17,200	$ 17,800	
2013	Blankets	$ 4,600	$ 4,600	$ 4,700	
2014	Scanner	$ 62,200	$ 62,200	$ 64,600	
2014	AutoCAD Network License	$ 17,200	$ 17,200	$ 17,800	
2014	Blankets	$ 5,000	$ 5,000	$ 5,200	
		$ 238,400	**$ 233,700**	**$ 243,400**	

ENVIRONMENTAL QUALITY

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Emergency Survival Kits for Manned Facilities	$ 18,000	$ 18,000	$ 18,500
2012	Replace Emergency Food for Manned Facilities	$ 23,000	$ 23,000	$ 23,700
2012	Ergonomic Equipment - 6 full sets	$ 8,000	$ 8,000	$ 8,200
2012	Replace Safety Videos - 4	$ 2,600	$ 2,600	$ 2,700
2013	Ergonomic Equipment - 8 full sets	$ 10,600	$ 10,600	$ 11,000
2013	Replace Safety Videos - 5	$ 3,200	$ 3,200	$ 3,300
2014	Ergonomic Equipment - 8 full sets	$ 10,500	$ 10,500	$ 11,000
2014	Replace Safety Videos - 5	$ 3,200	$ 3,200	$ 3,300
		$ 79,100	**$ 79,100**	**$ 81,700**

NEW BUSINESS

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Blankets	$ 1,300	$ 1,300	$ 1,300
		$ 1,300	**$ 1,300**	**$ 1,300**

PLANNING

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*	
2012	Replace Computer Workstations - three	$ 7,800	$ 7,800	$ 8,100	
2012	Replace Monitors -Six	$ 1,400	$ 1,400	$ 1,500	
2012	ArcInfo Licenses	$ 25,300	$ 12,600	$ 26,100	*
2012	ArcView Network License Subscription Renewal	$ 1,900	$ 1,900	$ 2,000	*
2012	InfoWater/Cap Plan Upgrade	$ 25,600	$ 25,600	$ 26,400	
2012	AutoCAD Upgrade	$ 24,900	$ 24,900	$ 25,600	
2012	Trimble Pathfinder Pro Handheld GPS	$ 11,100	$ 11,100	$ 11,400	
2012	GIS Mobil Mapping Computer	$ 4,300	$ 4,300	$ 4,500	
2012	Blankets	$ 2,200	$ 2,200	$ 2,200	
2013	Replace Computer Workstations - three	$ 7,800	$ 7,800	$ 8,100	
2013	Replace Monitors -Six	$ 2,800	$ 2,800	$ 3,000	
2013	Replace Department Laptop	$ 3,100	$ 3,100	$ 3,300	
2013	Plotter	$ 16,500	$ 16,500	$ 17,100	
2013	ArcView Network License Subscription Renewal	$ 2,500	$ 1,900	$ 2,000	

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2013	InfoWater/Cap Plan Upgrade	$ 25,400	$ 25,400	$ 26,400
2013	Blankets	$ 2,100	$ 2,100	$ 2,200
2014	Replace Computer Workstations - three	$ 7,800	$ 7,800	$ 8,100
2014	Replace Monitors -Six	$ 2,900	$ 2,900	$ 3,000
2014	Scanner	$ 62,200	$ 62,200	$ 64,600
2014	ArcView Network License Subscription Renewal	$ 1,900	$ 1,900	$ 2,000
2014	Blankets	$ 2,100	$ 2,100	$ 2,200
		$ 241,600	**$ 228,300**	**$ 249,800**

PREVENTIVE MAINTENANCE

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2014	Replace PMD Manager Vehicle #2182	$ 36,000	$ 36,000	$ 37,100
		$ 36,000	**$ 36,000**	**$ 37,100**

PROPERTY ACCOUNTING

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Blankets	$ 3,200	$ 3,200	$ 3,300
2013	Blankets	$ 3,200	$ 3,200	$ 3,300
2014	Blankets	$ 3,200	$ 3,200	$ 3,300
		$ 9,600	**$ 9,600**	**$ 9,900**

WATER QUALITY

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	H20MAP Water Licenses	$ 8,300	$ 8,300	$ 8,600
2012	Replace Water Quality Manager Vehicle No. 2027	$ 36,000	$ 36,000	$ 37,100
2012	Replace Water Quality Manager Vehicle No.1203	$ 36,000	$ 36,000	$ 37,100
		$ 80,300	**$ 80,300**	**$ 82,800**

WATER RESOURCES

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Replace Manager Vehicle No. 1221	$ 36,000	$ 36,000	$ 37,100
2012	Map Filing Cabinet	$ 2,000	$ 2,000	$ 2,000
2012	ArcView - License	$ 4,500	$ 4,500	$ 4,600
2012	Surfer - Groundwater Elevation Software	$ 800	$ 800	$ 900
2012	AquaChem Software	$ 2,900	$ 2,900	$ 3,000
2012	Blankets	$ 1,300	$ 1,300	$ 1,300
		$ 47,500	**$ 47,500**	**$ 48,900**

Total COPS Blankets	**$ 1,540,900**	**$ 1,403,300**	**$ 1,578,900**
Contingency	**$ 154,090**	**$ 35,083**	**$ 46,830**
Total COPS	**$ 1,694,990**	**$ 1,438,383**	**$ 1,625,730**

BILLING & PAYMENT PROCESSING

INFORMATION TECHNOLOGY

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	Personal Computers and Peripherals (entire Company)	$ 499,500	$ 499,500	$ 515,100
2013	Personal Computers and Peripherals (entire Company)	$ 377,100	$ 377,100	$ 391,200
2014	Personal Computers and Peripherals (entire Company)	$ 376,500	$ 376,500	$ 391,200
		$ 1,253,100	**$ 1,253,100**	**$ 1,297,500**

TAX

YEAR	DESCRIPTION	GSWC	DRA	STIPULATED*
2012	PowerPlan Tax Provision	$ 442,500	$ 442,500	$ 457,500
		$ 442,500	**$ 442,500**	**$ 457,500**

Total B&P Blankets	**$ 1,695,600**	**$ 1,695,600**	**$ 1,755,000**
Contingency	**$ 169,560**	**$ 42,390**	**$ 53,655**
Total B&PP	**$ 1,865,160**	**$ 1,737,990**	**$ 1,808,655**

Grand Total General Office Blankets	**$ 10,703,700**	**$ 9,803,800**	**$ 10,441,900**
Contingency	**$ 1,070,370**	**$ 245,095**	**$ 346,733**
Grand Total General Office	**$ 11,774,100**	**$ 10,048,900**	**$ 10,788,600**

***Stipulated:** Capital budgets disputed by DRA
NOTE: Where Stipulated amount is higher than GSWC amount, stipulated overhead rate was applied and therefore a higher amount is reflected.

APPENDIX C

GOLDEN STATE WATER COMPANY
CONSTRUCTION WORK IN PROGRESS

District	Work Order	Description	To be closed in 2011
HCM	8300108	CIS Software & Implem	13,139,622
HCM	9100044	Implementation of CIS	2,302,332
Asset Management	6100058	PowerPlant Project	1,774,879
Asset Management	6800041	PowerPlan Tax	1,078,098
Billing & Cash Processing Total			18,294,931
Executive	2100041	GIS Software - InfoWater	24,354
Executive	2100042	GIS Transition Project	314,745
Executive	2100043	Replace 2 workstations	4,380
Executive	2100044	Misc Sftware & Hardware	6,944
Regulatory Affairs	2200043	New & Replace Laptops	3,734
Accounting and Finance	2200044	Workstations (3) new	5,500
Water Quality	3010042	Office Furn-Ontario Office	1,682
Asset Management	3111009	Misc Office Furn. & Eqmt	13,481
HCM	3700041	Laptop Purchase	3,978
Information System	5000060	Replace Workstations & Laptops	9,878
Accounting and Finance	7000053	Replace 2 Laptops	4,000
Accounting and Finance	7100044	Ergonomic Equipment	19,300
Accounting and Finance	9100042	Telecomuting Equip &	5,474
Accounting and Finance	9100049	Office Computers	13,257
Customer Support Services	9100051	Purchase chairs for office	5,669
Asset Management	9100052	Replace 9 Monitors-CSC deptmt	3,770
Asset Management	9100053	Telework Stations 1 New	6,686
Asset Management	9100050	Purchase Computer	2,384
Asset Management	9600044	Replace workstations	916
Information System	9600046	SoundSens Leak Detect Equip	25,319
Central Ops Total			475,451
HCM	4000106	Office Computers	2,116
Information System	5900048	Laptops 2 for Inte	4,182
Information System	6000092	Laptop/Desktop/Printer-GO	11,917
Accounting and Finance	6000090	Office Computers	15,246
Accounting and Finance	6100059	Upgrade Oracle Xe \ E	2,061,300
Accounting and Finance	6700001	Insight Software	57,000
Accounting and Finance	6900049	Safety equipment and	(0)
Accounting and Finance	6900058	Safety Training Video	8,119
Accounting and Finance	6900060	Risk Mgmt/Audit cubicles	17,213
Accounting and Finance	6900061	Replace Workstation	1,969
Accounting and Finance	6900062	Replace printer/monitor	1,231
Accounting and Finance	7900042	Upgrade FM200 system-Data Room	78,000
Accounting and Finance	8300110	GPS for Company Vehic	217,000
Accounting and Finance	8400134	Learning Management S	69,300
Accounting and Finance	8400141	Books for Continuing	3,850
Accounting and Finance	8400142	HCM 8.12Module self s	538,400
Accounting and Finance	8400143	Office Furn 2 HCM Sup	9,576
Accounting and Finance	8400144	Workstations (5)	5,336
Accounting and Finance	8400146	Laptops (4) HCM	9,600
Accounting and Finance	8400147	EDU Training DVD Videos 6	7,200
Accounting and Finance	8400149	Purchse 12 PC's/Monitor- I 4	14,153
Accounting and Finance	8400150	E-learning Courseware	71,981
Accounting and Finance	8500178	IT Replace 5 Workstat	8,500
Accounting and Finance	8500179	Replace old Remote Se	54,012
Accounting and Finance	8500188	Replace 3 Workstation	9,627
Accounting and Finance	8500191	Equip Az Disaster Rec	349,971

APPENDIX C

GOLDEN STATE WATER COMPANY
CONSTRUCTION WORK IN PROGRESS

District	Work Order	Description	To be closed in 2011
Accounting and Finance	8500192	Sharepoint Server Farm	111,778
Accounting and Finance	8500193	Tape Back-Up System Replace	648,700
Accounting and Finance	8500194	Q4bis Budgeting Softw	21,724
Accounting and Finance	8500195	Microsoft License	363,684
Accounting and Finance	8500196	Stellent Upgrades	122,600
Accounting and Finance	8500197	Data Center Upgrades	81,035
Accounting and Finance	8500199	Server Virtualization Sftware	139,300
Accounting and Finance	8500200	Expansion of disaster recovery	120,200
Accounting and Finance	8500186	Network Routers (1	43,577
Accounting and Finance	8500198	Adobe Acrobat 9 Pr	23,850
Accounting and Finance	8600059	Consulting	33,488
Executive	8600061	Replace Storage Area Network	1,109,517
Executive	8600062	Upgrade Network Monitoring	127,430
Water Quality	8600063	Computers-application testing	6,402
Water Quality	8600064	UPS-GO Data Center	173,128
HCM	8600060	Construction of ne	8,250
HCM	8700052	Computers Hardware purchases	60,885
Information System	8700056	Enterprise Job Scheduler	124,949
Asset Management	8900077	Drains	7,560
Information System	8500201	Migration of Mail System	76,000
Corp Sup Total			7,030,857
Grand Total			25,801,238