

# **ATTACHMENT B**

## **EXHIBIT 1 TO THE SETTLEMENT AGREEMENT BETWEEN GREAT OAKS WATER COMPANY AND THE DIVISION OF RATEPAYER ADVOCATES**



**Settlement Agreement  
Exhibit 1  
Comparison Exhibit  
Limited Rehearing  
A.09-09-001/D.10-11-034**

Exhibit 1  
Comparison Exhibit

Test Year 2010/2011 Description	Great Oaks Testimony	DRA Testimony	Great Oaks Exceeds %	Agreed
<b>Operating Revenues</b>				
Metered Water Service Revenues	12,843,939	12,747,135	0.75%	12,762,947
Fire Protection Revenues	65,930	65,930	0.00%	65,930
Other Water Revenues	12,330	12,330	0.00%	12,330
<b>Total Operating Revenues (excl. CPUC fees)</b>	<b>12,922,199</b>	<b>12,825,395</b>	<b>0.75%</b>	<b>12,841,207</b>
<b>Operating Expenses</b>				
Net Payroll Expense	1,641,437	1,625,428	0.98%	1,641,240
Groundwater Charges, Acct. 700	5,924,200	5,924,200	0.00%	5,924,200
Purchased Power, Acct. 726	683,200	683,200	0.00%	683,200
Maint. Of Pump Equip., Accts. 711, 732	16,500	16,500	0.00%	16,500
Chemicals & Filtering, Acct. 744	50	50	0.00%	50
Meter Expense, Acct. 754	1,430	1,430	0.00%	1,430
T&D Maint & Supv., Accts 753, 758	770	770	0.00%	770
Maint of Reserv. & Tanks, Acct. 760	0	0	0.00%	0
Maint of T&D Mains, Acct. 761	33,800	33,800	0.00%	33,800
Maint of Services, Acct 763	33,310	33,310	0.00%	33,310
Maint of Meters, Acct 764	7,310	7,310	0.00%	7,310
Maint of Hydrants, Acct 765	16,020	16,020	0.00%	16,020
Maint of General Plant, Acct 805	32,500	32,500	0.00%	32,500
Customer Records & Collection, Acct 773	132,390	132,390	0.00%	132,390
Uncollectible Accounts, Acct 775	40,000	40,000	0.00%	40,000
Office Supplies & Other Exp., Acct 792	45,100	45,100	0.00%	45,100
Property Ins., Acct. 793	76,180	76,180	0.00%	76,180
Injuries & Damages, Acct 794	49,180	49,180	0.00%	49,180
Employee Pensions & Benefits, Acct 795	415,080	415,080	0.00%	415,080
Franchise Requirements, Acct 796	253,290	253,290	0.00%	253,290
Regulatory Comm. Expenses, Acct 797	26,000	26,000	0.00%	26,000
Outside Services, Incl GRC Exp. Acct 798, 800	221,930	221,930	0.00%	221,930
Misc Gen Exp Incl CWA Dues, Acct 799	50,800	50,800	0.00%	50,800
Rents, Acct 811	174,000	174,000	0.00%	174,000
Transportation Exp, Acct 903	76,180	76,180	0.00%	76,180
<b>Total O&amp;M, A&amp;G Expenses</b>	<b>9,950,657</b>	<b>9,934,648</b>	<b>0.16%</b>	<b>9,950,460</b>
Depreciation Expense	1,162,140	1,162,140	0.00%	1,162,140
Taxes Other than Income	258,840	258,840	0.00%	258,840
Current State Income Tax	95,104	87,962	7.51%	87,962
Current Federal Income Tax, incl DPAD	360,230	286,578	20.45%	286,578
Deferred Tax Expense	70,170	70,170	0.00%	70,170
<b>Total Depreciation and Taxes</b>	<b>1,946,484</b>	<b>1,865,690</b>	<b>4.15%</b>	<b>1,865,690</b>
<b>Total Operating Expenses</b>	<b>11,897,141</b>	<b>11,800,337</b>	<b>0.81%</b>	<b>11,816,150</b>
Net Operating Revenue	1,025,058	1,025,058	0.00%	1,025,058
Rate Base	11,069,740	11,069,740	0.00%	11,069,740
Adopted Rate of Return, Percent	9.26%	9.26%		9.26%
<b>Net Undercollection</b>	<b>257,939</b>	<b>161,135</b>	<b>37.53%</b>	<b>176,947</b>

Settlement Agreement  
Test Year 2010/2011

Exhibit 1  
Comparison Exhibit

Test Year 2011/2012 Description	Great Oaks Testimony	DRA Testimony	Great Oaks Exceeds %	Agreed
<b>Operating Revenues</b>				
Metered Water Service Revenues	12,917,811	12,901,506	0.13%	12,917,609
Fire Protection Revenues	65,930	65,930	0.00%	65,930
Other Water Revenues	12,330	12,330	0.00%	12,330
Total Operating Revenues (excl. CPUC fees)	12,996,071	12,979,766	0.13%	12,995,869
<b>Operating Expenses</b>				
Net Payroll Expense	1,667,700	1,651,435	0.98%	1,667,500
Groundwater Charges, Acct. 700	5,924,200	5,924,200	0.00%	5,924,200
Purchased Power, Acct. 726	683,200	683,200	0.00%	683,200
Maint. Of Pump Equip., Accts. 711, 732	17,150	17,150	0.00%	17,150
Chemicals & Filtering, Acct. 744	52	52	0.00%	52
Meter Expense, Acct. 754	1,486	1,486	0.00%	1,486
T&D Maint & Supv., Accts 753, 758	800	800	0.00%	800
Maint of Reserv. & Tanks, Acct. 760	0	0	0.00%	0
Maint of T&D Mains, Acct. 761	35,132	35,132	0.00%	35,132
Maint of Services, Acct 763	34,622	34,622	0.00%	34,622
Maint of Meters, Acct 764	7,598	7,598	0.00%	7,598
Maint of Hydrants, Acct 765	16,651	16,651	0.00%	16,651
Maint of General Plant, Acct 805	33,781	33,781	0.00%	33,781
Customer Records & Collection, Acct 773	137,606	137,606	0.00%	137,606
Uncollectible Accounts, Acct 775	40,887	40,887	0.00%	40,887
Office Supplies & Other Exp., Acct 792	46,877	46,877	0.00%	46,877
Property Ins., Acct. 793	78,237	78,237	0.00%	78,237
Injuries & Damages, Acct 794	51,118	51,118	0.00%	51,118
Employee Pensions & Benefits, Acct 795	421,721	421,721	0.00%	421,721
Franchise Requirements, Acct 796	258,900	258,900	0.00%	258,900
Regulatory Comm. Expenses, Acct 797	27,024	27,024	0.00%	27,024
Outside Services, Incl GRC Exp. Acct 798, 800	230,674	230,674	0.00%	230,674
Misc Gen Exp Incl CWA Dues, Acct 799	52,802	52,802	0.00%	52,802
Rents, Acct 811	178,698	178,698	0.00%	178,698
Transportation Exp, Acct 903	79,181	79,181	0.00%	79,181
<b>Total O&amp;M, A&amp;G Expenses</b>	<b>10,026,097</b>	<b>10,009,832</b>	<b>0.16%</b>	<b>10,025,897</b>
Depreciation Expense	1,170,600	1,170,600	0.00%	1,170,600
Taxes Other than Income	267,135	267,135	0.00%	267,135
Current State Income Tax	107,723	107,720	0.00%	107,723
Current Federal Income Tax, incl DPAD	352,289	352,254	0.01%	352,288
Deferred Tax Expense	70,170	70,170	0.00%	70,170
Total Depreciation and Taxes	1,967,918	1,967,878	0.00%	1,967,917
<b>Total Operating Expenses</b>	<b>11,994,015</b>	<b>11,977,710</b>	<b>0.14%</b>	<b>11,993,813</b>
Net Operating Revenue	1,002,056	1,002,056	0.00%	1,002,056
Rate Base	10,821,340	10,821,340	0.00%	10,821,340
Adopted Rate of Return, Percent	9.26%	9.26%	0.00%	9.26%
<b>Net Undercollection</b>	<b>51,082</b>	<b>34,777</b>	<b>31.92%</b>	<b>50,880</b>

Settlement Agreement  
Test Year 2011/2012

(End of Attachment B)