

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA



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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 \$2,911,400 or 29.9% in 2011 and by \$321,200 or 2.5% in 2012 in its Arden Cordova Service Area; to increase rates for water service by \$1,782,400 or 33.2% in 2011 and by -\$66,200 or -0.9% in 2012 in its Bay Point Service Area; to increase rates for water service by \$409,100 or 22.6% in 2011 and by \$23,300 or 1.0% in 2012 in its Clearlake Service Area; to increase rates for water service by \$1,467,000 or 48.5% in 2011 and by \$50,100 or 1.1% in 2012 in its Los Osos Service Area; to increase rates for water service by \$1,647,900 or 38.8% in 2011 and by \$343,200 or 5.9% in 2012 in its Ojai Service Area; to increase rates for water service by \$2,350,700 or 25.2% in 2011 and by \$363,200 or 3.1% in 2012 in its Santa Maria Service Area and; to increase rates for water service by \$799,500 or 6.5% in 2011 and by \$213,000 or 1.6% in 2012 in its Simi Valley Service Area

APPLICATION NO.

A.10-01-009

**JOINT MOTION OF GOLDEN STATE WATER COMPANY AND THE DIVISION OF
RATEPAYER ADVOCATES TO APPROVE SETTLEMENT AGREEMENT**

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I. INTRODUCTION

Pursuant to Rule 12.1 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Golden State Water Company ("GSWC") and the Division of Ratepayer Advocates ("DRA") (collectively, "Parties") hereby respectfully submit this Joint Motion to Approve Settlement Agreement. Based on the information provided below and elsewhere in the record, the Parties jointly move the Commission for an order approving the settlement agreement they have negotiated and entered into ("Settlement Agreement"), a copy of which is attached as Exhibit 1 to this motion. As discussed below, the Settlement Agreement appropriately resolves all of the contested issues in this proceeding other than those related to a limited number of capital projects, which are being litigated separately.

II. PROCEDURAL HISTORY

GSWC filed its Application 10-01-009 (“Application”) on January 13, 2010 pursuant to Decision 07-05-062 (“Rate Case Plan”), seeking an increase in rates for its Region I customer service areas (“CSAs”). GSWC filed an Amended Application on January 27, 2010. DRA filed a Protest to GSWC’s Application on February 26, 2010. Administrative Law Judge (“ALJ”) Long held a Pre-Hearing Conference on March 3, 2010, and issued a Scoping Ruling on March 11, 2010. On May 18, 2010, DRA served its testimony, and GSWC served rebuttal testimony on June 2, 2010. GSWC participated in public participation meetings on the following dates and locations:

- Arden Cordova, California June 11, 2010
- Bay Point, California June 14, 2010
- Santa Maria, California June 16, 2010
- Ojai, California June 17, 2010

Pursuant to the Rate Case Plan, the Parties convened a settlement conference beginning on June 9, 2010, with notice and opportunity to participate provided to all interested persons. Representatives of the Parties met in person and by teleconference on several occasions during the two week period from June 9, 2010 to June 23, 2010, engaging in substantive settlement negotiations and discussions on the issues presented in GSWC’s Application. On June 9, 2010, ALJ Gamson was assigned to handle the Alternative Dispute Resolution issues as a neutral ALJ. On June 15, 2010, ALJ Gamson participated as a mediator in the Parties’ settlement discussions, and assisted the Parties in their negotiations.

Settlement discussions continued through the evidentiary hearings in this proceeding, which were held on June 23, 2010 and June 24, 2010. In light of the Parties’ settlement of the bulk of the contested issues, the Parties’ presented witnesses for cross examination solely on the limited capital projects that remained in dispute.

III. THE SETTLEMENT AGREEMENT IS REASONABLE, CONSISTENT WITH THE LAW, AND ITS ADOPTION WILL SERVE THE PUBLIC INTEREST

Rule 12.1 requires that a settlement be “reasonable in light of the whole record, consistent with law, and in the public interest.” The Settlement Agreement meets these requirements.

A. The Settlement Agreement is Reasonable

The Settlement Agreement is a reasonable resolution of the majority of the contested issues in this proceeding. The Parties have entered into the Settlement Agreement based upon extensive independent investigation and analysis of the issues performed by each Party’s respective representatives with expertise in the particular subject areas at issue in this GRC. Both DRA and GSWC have expended significant resources in fully evaluating and settling the varied aspects of GSWC’s proposals for each of its CSAs in Region 1. These efforts have been largely successful and have resulted in a reasonable and fair settlement of the bulk of the issues presented in this case.

Due to the forward looking nature of the ratemaking process for water utilities, the capital expenditures and expense items agreed upon by the Parties are based on estimated costs for future years in the rate-case cycle. As such, the amounts agreed to by the Parties for capital additions and expenses can and do change between the time rates are set and the time events occur. The actual costs incurred in 2010, 2011 and 2012 may differ due to operational needs and changes that may arise. As the Commission has determined:

“There is no requirement of the utility to spend exactly, or only, the projected amount on each rate base or expenditure component used to set rates. . . . We leave the fine tuning of a utility’s operation to the discretion of its management. Management discretion is exercised in allocating total dollars for capital and expense items to those areas where the capital and expense is most necessary, as dictated by constantly evolving priorities[.]”¹

Pursuant to the Commission’s direction, GSWC will conduct prudent management review of changes from those cost estimates agreed to in the Settlement Agreement.

¹ Decision 06-06-036 at 13 (quoting Decision 02-07-011 at pp. 6-7).

1. The Parties Have Made a Compelling Evidentiary Showing in Support of the Settlement Agreement

The Parties' have submitted lengthy and thorough testimony and exhibits analyzing the issues resolved in the Settlement Agreement. GSWC's regulatory affairs, engineering and CSA management teams have presented a comprehensive analysis of the settled capital projects, expense items, conservation expenses and programs, and rate-design proposals. The results of this analysis are shown in the extensive exhibits and evidentiary showing in this GRC in support of GSWC's proposals.

Specifically, GSWC staff have submitted comprehensive testimony in support of the requested rate increases that analyzes in depth each facet of the rate increases requested in this GRC.² In conjunction with this testimony, GSWC has submitted detailed Results of Operations reports along with supporting Workpapers analyzing the operations of each individual CSA.³ GSWC's Results of Operations reports and Workpapers set forth recorded data for the years 2004 through 2009, including statistics concerning customers, sales, revenues, operating expenses, taxes, utility plant, depreciation and other elements of rate base. Based on this historical information, GSWC's estimated operations are set forth for 2011 and 2012, assuming normal climatic and operating conditions. Operating revenues for the test year 2011 and for the escalation year 2012 are calculated in these Results of Operations reports based on the guidelines set forth in the Rate Case Plan.⁴

Moreover, for each individual water system in Region 1 (except the very small Sisquoc Water System), GSWC has presented a detailed Water Master Plan that details the respective water system's ability to meet current and future water needs and identifies system upgrades needed to meet those needs.⁵ The Water Master Plans reflect GSWC's technical and thorough assessment of each water system. Such assessments use, among other things, hydraulic models that are updated with hydraulic design criteria,

² See Exhibit G-9; Exhibit G-10; Exhibit G-11; Exhibit G-12; Exhibit G-13; Exhibit G-14; Exhibit G-15; Exhibit G-16; Exhibit G-17; Exhibit G-18; Exhibit G-19; Exhibit G-20; Exhibit G-21; Exhibit G-51.

³ See Exhibits G-2 through G-8; Exhibits G-22-W through G-50-W.

⁴ See also Decision 04-06-018 (2004).

⁵ See Exhibits G-12-A-1 through G-12-A-11; Exhibit G-12-A-13.

water quality standards, facility condition standards specified by regulatory agencies and best management practices to reflect current conditions within the systems.⁶

DRA staff has also engaged in a detailed critical analysis of GSWC's requested rate increases. Following GSWC's service of the reports and testimony described above, DRA served extensive written discovery seeking additional information regarding the rate increases associated with each CSA.⁷ GSWC timely responded to each discovery request, providing DRA with further information regarding its requested capital projects⁸ as well as additional data and analysis supporting its calculation of expenses for this GRC.⁹ Based on the data received from this discovery, as well as the testimony and reports served by GSWC in support of its Application, DRA submitted its Report on the Results of Operations and Report on the Regional Issues, setting forth its analysis and position on the individual capital projects and expense items upon which GSWC based its requested rate increases.¹⁰ Following DRA's service of its reports, GSWC served rebuttal testimony addressing the contested issues that DRA had identified.¹¹

In sum, the detailed testimony, reports and analysis described above demonstrate that both DRA and GSWC have fully and adequately analyzed each of the contested issues addressed in the Settlement Agreement, and reached a consensus that is reasonable in light of this evidence. The individual issues the Parties' have settled are described below.

2. Specific Issues Addressed in the Settlement Agreement

a. Capital Projects

GSWC and DRA have resolved the great majority of the issues regarding plant additions in GSWC's Region I. The sole remaining disputed issues are as follows: (1) GSWC's request to construct

⁶ See *id.*

⁷ See, e.g., Exhibit D-9.

⁸ See *id.*

⁹ See *id.*

¹⁰ See Exhibits D-1 through D-8.

¹¹ See Exhibit G-9-R; Exhibit G-10-R; Exhibit G-11-R; Exhibit G-12-R; Exhibit G-13-R; Exhibit G-14-R; Exhibit G-15-R; Exhibit G-16-R; Exhibit G-17-R; Exhibit G-18-R; Exhibit G-19-R; Exhibit G-20-R.

five additional groundwater wells at various locations in Region 1; (2) various pipeline replacement projects GSWC has requested throughout Region 1; and (3) the purchase of a dump truck, trailer and backhoe in the Santa Maria CSA. As described in detail in the Settlement Agreement, the Parties have settled all of the other capital projects (and issues related to such projects such as the appropriate escalation factor and contingency rate) that GSWC has requested in this GRC, as identified below (with appropriate citation to the Settlement Agreement):

Common Issues:

- Escalation Factor (p. 2)
- Contingency Rate (p. 3)
- Urban Water Management Plans (UWMP) (p. 3)

Capital Projects Initially Disputed by DRA:

- Northern District Office Furniture and Equipment (p. 4)
- Northern District Office Security System (SOLA) (p. 4)
- Arden-Cordova Morse Plant Site Improvements (p. 4)
- Arden-Cordova Hydraulic Model Coloma/Pyrites Plant Sites (p. 4)
- Arden-Cordova Blanket Item – Meters (p. 4)
- Arden-Cordova Blanket Item – Services (p. 5)
- Arden-Cordova Blanket Item Miscellaneous Bowl Replacements (p. 5)
- Arden-Cordova Blanket Item Tools & Safety Equipment (p. 5)
- Arden-Cordova Blanket Item Office Furniture and Equipment (p. 5)
- Arden-Cordova Blanket Item New Phone System (p. 5)
- Arden-Cordova Blanket Item Computers for 8 Field Staff (p. 6)
- Bay Point Hill Street Reservoir Site (p. 6)
- Bay Point Blanket Item Miscellaneous Bowl Replacements (p. 6)
- Clearlake Oakcrest Reservoir Fence (p. 6)
- Clearlake Blanket Item Miscellaneous Bowl Replacements (p. 6)
- Clearlake Blanket Item Minor Main Replacements (p. 6)
- Clearlake Blanket Item Tools & Safety Equipment (p. 7)
- Los Osos Trailer Mounted Valve & Vacuum Machine (p. 7)

- Los Osos Service Truck For New Water Distribution Operator (p. 7)
- Los Osos Plant Replace Booster Pump (p. 7)
- Los Osos Country Club Tanks Install Lighting (p. 7)
- Los Osos Blanket Item Miscellaneous Bowl Replacements (pp. 7-8)
- Los Osos Minor Main Replacement (p. 8)
- Ojai New Roof for Signal Booster Pump House (p. 8)
- Ojai Service Truck For New Water Distribution Operator (p. 8)
- Ojai Blanket Item Minor Purification Equipment (p. 8)
- Ojai Blanket Item Office Furniture (p. 8)
- Ojai Blanket Item Tools & Safety Equipment (p. 9)
- Ojai Minor Main Replacement (p. 9)
- Santa Maria Tanglewood #1 Ion Exchange (IX) Unit (p. 9)
- Santa Maria Blanket Item Minor Purification Equipment (p. 9)
- Santa Maria Blanket Item Office Furniture (p. 9)
- Santa Maria Blanket Item Tools & Safety Equipment (p. 9)
- Simi Valley Katherine Plant (p. 10)
- Simi Valley Tapo Plant Booster Improvements (p. 10)
- Simi Valley Alamo Plant Vault Lid and Retaining Wall (p. 10)
- Simi Valley Niles Plant Storage Building (p. 10)
- Simi Valley Sycamore Plant Well Enclosure (pp. 10-11)
- Simi Valley Blanket Item Misc Bowl Replacements (p. 12)
- Simi Valley Blanket Item Minor Purification Equipment (p. 12)

Capital Projects Where the Only Dispute Was Over the Contingency and Escalation Rate:

- Arden-Cordova Filter Media Replacement – South 1 (p. 11)
- Arden-Cordova Filter Media Replacement – South 4 (p. 11)
- Arden-Cordova Gold River Road & Pyrites Way (pp. 11-12)
- Arden-Cordova Pyrites Treatment Plant Pressure Transducer (p. 12)
- Arden-Cordova Pyrites Treatment Effluent Booster (p. 12)
- Arden-Cordova Pyrites Treatment Anionic Polymer Feed (p. 12)
- Arden-Cordova Gilbert, El Segundo & Marcel Plants (p. 12)
- Arden-Cordova Filter Media Replacement – North 6 (p. 12)

- Arden-Cordova Filter Media Replacement – South 2 (p. 13)
- Arden-Cordova Pinetree Court Hydrant (p. 13)
- Arden-Cordova Sunrise Blvd Hydrant (p. 13)
- Arden-Cordova McGregor Drive at Folsom Blvd Hydrant (p. 13)
- Arden-Cordova Aramon Drive and Folsom Blvd Hydrant (p. 13)
- Arden-Cordova Athens River Court Hydrant (p. 13)
- Arden-Cordova Centerville Court Hydrant (p. 14)
- Arden-Cordova Boulder Mine Way Hydrant (p. 14)
- Arden-Cordova Summit Mine Court Hydrant (p. 14)
- Arden-Cordova Minor Main Replacement (p. 14)
- Arden-Cordova Minor Purification Equipment (p. 14)
- Bay Point Marcia Booster Station (p. 14)
- Bay Point Hill Street Reservoir #3 (p. 15)
- Bay Point Manor Drive & Willow Pass Road (p. 15)
- Bay Point Recoat Hill Street Reservoir #3 (p. 15)
- Bay Point Blanket Item – Meters (p. 15)
- Bay Point Blanket Item – Services (p. 15)
- Bay Point Minor Purification Equipment (p. 15)
- Bay Point Minor Main Replacement (p. 16)
- Bay Point Blanket Item Tools & Safety Equipment (p. 16)
- Clearlake Oakcrest Reservoir Recoat Interior (p. 16)
- Clearlake Sonoma Plant GAC Change Out (p. 16)
- Clearlake San Joaquin Drive & Lakeshore Drive (p. 16)
- Clearlake Manchester Booster Station (pp. 16-17)
- Clearlake Parkview Drive & San Joaquin Drive (p. 17)
- Clearlake Oakcrest Booster Station (p. 17)
- Clearlake Manatee Ave & Pomo Road (p. 17)
- Clearlake Blanket Item – Meters (p. 17)
- Clearlake Blanket Item – Services (p. 17)
- Clearlake Minor Purification Equipment (p. 17)
- Los Osos Country Club Plant Install Lighting (p. 18)
- Los Osos Rosina Blending Project (p. 18)

- Los Osos Bayview Plant Portable Generator (p. 18)
- Los Osos Pecho Plant Replace MCC and SCADA (p. 18)
- Los Osos Bayview Plant Recoat Interior & Exterior (p. 18)
- Los Osos Los Olivos Plant Recoat Interior & Exterior (p. 18)
- Los Osos Install Fire Hydrant Isolation Valves (p. 19)
- Los Osos Point Blanket Item – Meters (p. 19)
- Los Osos Blanket Item – Services (p. 19)
- Los Osos Minor Purification Equipment (p. 19)
- Los Osos Blanket Item Tools & Safety Equipment (p. 19)
- Los Osos Blanket Item Office Furniture (p. 19)
- Ojai San Antonio Plant Forebay (p. 20)
- Ojai Palomar Road & El Toro Road (p. 20)
- Ojai Foothill Blvd & Valley View Booster Station (p. 20)
- Ojai Fox Street & Bald Street (p. 20)
- Ojai Del Norte Road & Fairview Plant (p. 20)
- Ojai Point Blanket Item – Meters (p. 20)
- Ojai Blanket Item – Service (p. 21)
- Ojai Blanket Item Miscellaneous Bowl Replacements (p. 21)
- Santa Maria Union Valley Parkway & Bradley Road (p. 21)
- Santa Maria Dakota Drive Scrub Seal (p. 21)
- Santa Maria East Clark Avenue & South Pacific Street (p. 21)
- Santa Maria Point Blanket Items – Meters (pp. 21-22)
- Santa Maria Blanket Item – Services (p. 22)
- Santa Maria Minor Main Replacement (p. 22)
- Santa Maria Blanket Item Miscellaneous Bowl Replacements (p. 22)
- Simi Valley Lautenschlager & Tapo Tanks Seismic Upgrades (p. 22)
- Simi Valley Niles Plant Efficiency Improvements (p. 22)
- Simi Valley Lautenschlager Tanks Cathodic Protection (p. 23)
- Simi Valley Point Blanket Item – Meters (p. 23)
- Simi Valley Blanket Item – Services (p. 23)
- Simi Valley Minor Main Replacement (p. 23)
- Simi Valley Blanket Item Office Furniture (p. 23)

- Simi Valley Blanket Item Tools & Safety Equipment (p. 23)

Capital Projects That Were Undisputed:

- All CSAs – Miscellaneous Street Improvements (p. 24)
- All CSAs – New Business Funded by GSWC (p. 24)
- All CSAs – Miscellaneous Valve Replacements (p. 24)
- All CSAs – Miscellaneous Hydrant Replacements (p. 24)
- All CSAs – Minor Pumping Equipment (p. 25)
- Arden-Cordova Replacement Vehicle Superintendent (p. 25)
- Arden-Cordova 5 year Update to Coloma Chlorine (p. 25)
- Arden-Cordova Install Inverts along Folsom Blvd (p. 25)
- Bay Point Office Blanket Item Furniture & Equipment Computers (p. 25)
- Bay Point Office Blanket Item Furniture & Equipment (p. 25)
- Clearlake Office Blanket Item Furniture & Equipment (p. 25)
- Clearlake Replacement Vehicle Service Truck (p. 26)
- Clearlake 5 year Update to Clearlake Sanitary Survey (p. 26)
- Los Osos Desktop PC & Refrigerator (p. 26)
- Los Osos Replacement Vehicle Service Truck (p. 26)
- Los Osos Replacement Vehicle Superintendent (p. 26)
- Los Osos Portable Valve Machine (p. 26)
- Ojai Replacement Vehicle Service Truck (p. 26)
- Ojai Backhoe (p. 26)
- Santa Maria Replacement Vehicle Service Truck #1 (p. 26)
- Santa Maria Replacement Vehicle Service Truck #2 (p. 26)
- Santa Maria Replacement Vehicle Service Truck #3 (p. 27)
- Santa Maria Replacement Vehicle Service Truck #4 (p. 27)
- Santa Maria Replacement Vehicle Superintendent (p. 27)
- Santa Maria Portable Valve Machine (p. 27)
- Simi Valley Replacement Vehicle Service Truck #1 (p. 27)
- Simi Valley Replacement Vehicle Service Truck #2 (p. 27)
- Simi Valley Replacement Vehicle Service Truck #3 (p. 27)
- Simi Valley Replacement Vehicle Superintendent (p. 27)

Other Issues

- Depreciation Accrual Rates (p. 28)
- Working Cash Lag Days (p. 28)

Advice Letter Treatment

DRA and GSWC 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 set forth below and to receive a corresponding rate adjustment for the additional rate base. The Parties agree to request that the final decision contain an ordering paragraph authorizing each and every advice letter project set forth below.

- Arden Cordova Coloma Treatment Plant Grounding Survey (p. 28)
- Arden-Cordova Meter Retrofit Program (p. 28)

b. Expenses

GSWC intends to conduct its operations in a manner that will allow it to stay within the costs agreed to by the Parties in this proceeding. However, sound business decisions may cause GSWC to incur additional costs in excess of those costs agreed to by the Parties. Accordingly, to the extent GSWC incurs any costs that exceed those amounts on which the Parties agreed to in this proceeding and no other authorized procedure is available to recover those costs, GSWC's shareholders will absorb those additional costs.

i. Customers, Sales per Customer and Water Loss

GSWC and DRA have agreed on the number of customers, sales per customer and water loss projections for this GRC. The Parties' respective positions and description of the Parties' ultimate settlement of the sales and customers calculations are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Customers (Connections) (p. 29)
- Sales per Customer (p. 32)
- Water Loss (p. 36)

ii. Labor

GSWC and DRA have resolved most of the differences regarding new positions and labor expenses in GSWC's Region 1. The only issue the Parties have not resolved is GSWC's request for the approval of a merit-based compensation program referred to as the 1% equity adjustment. However, given that this issue is currently pending in GSWC's Regions II and III GRC (A.08-07-010), the Parties have agreed that the resolution of the 1% equity adjustment in that proceeding shall be applicable to the labor expense forecast in this GRC for Region 1. The Parties' respective positions and description of the Parties' ultimate settlement of GSWC's labor expenses are detailed on page 37 of the Settlement Agreement.

iii. Administrative and General Expenses

GSWC and DRA have agreed on the forecast for administrative and general expenses, including office supplies, injuries and damages, pension and benefits, business meals, regulatory commission expenses, outside services rent, other maintenance of general plant, and miscellaneous expenses. The Parties' respective positions and description of the Parties' ultimate settlement of these administrative and general expenses are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Office Supplies (p. 39)
- Injuries and Damages (p. 40)
- Pension and Benefits (p. 41)
- Business Meals (p. 41)
- Regulatory Commission Expense (p. 42)
- Miscellaneous (p. 46)
- Rent (p. 47)
- Other Maintenance of General Plant (p. 48)
- Outside Services
 - General Discussion (p. 42)
 - Los Osos Interlocutory Stipulated Judgment Process (p. 43)

- Santa Maria Steelhead Recovery Plan (p. 44)

iv. Operations and Maintenance

GSWC and DRA have agreed on the forecast for GSWC's operations and maintenance costs, including other operating expenses, conservation expenses, uncollectible rates, other maintenance expenses, and chemical expenses. The Parties' respective positions and description of the Parties' ultimate settlement of these operations and maintenance expenses are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Other Operating Expenses (including Conservation Expenses) (p. 49)
- Uncollectible Rates (p. 50)
- Other Maintenance Expenses (p. 50)
- Chemical Expenses (p. 51)

v. Taxes

GSWC and DRA have agreed on all issues related to GSWC's tax expense. The Parties' respective positions and description of the Parties' ultimate settlement of the tax issues are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Property Taxes (p. 52)
- Payroll Taxes (p. 53)
- Local Taxes (p. 53)
- Income Taxes (p. 53)

vi. Supply

GSWC and DRA have agreed on the forecast for water supply costs. The Parties' respective positions and description of the Parties' ultimate settlement of water supply issues are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Sources (p. 54)
- Supply Cost (p. 55)

vii. Cost Allocation

The Parties have agreed that all of the issues in this Region 1 GRC related to cost allocation will be resolved in GSWC's Regions II and III GRC (A.08-07-010). This includes allocated common customer accounts, allocated general office expenses, allocated centralized operations support, and allocated district office expense. See pages 55-57 of the Settlement Agreement.

c. Miscellaneous Issues

The Parties negotiated in good faith and reached a reasonable compromise on several additional issues. The Parties' respective positions and description of the Parties' ultimate settlement of these issues are detailed in the Settlement Agreement, as identified below (with appropriate citation to the Settlement Agreement):

- Inflation (p. 68)
- Rates Charged for Purchased Water and Purchased Power (p. 68)
- Return on Ratebase (p. 68)
- Low Income Program (CARW) (p. 68)
- WRAM Revenue Adjustment Mechanism (WRAM) and Modify Cost Balancing Account (MCBA) Recovery (p. 71)
- Rate Design (p. 72)
- Water Litigation Memorandum Account Surcharge Recalculation (p. 72)
- Supply Cost Balancing Accounts Review and Amortization (p. 74)
- Conservation Expenses and Programs (p. 57)

In addition, GSWC requested an extension of the Santa Maria Stipulation Memorandum Account ("SMSMA"). The SMSMA was specifically authorized to track start-up and on-going operating expenses for two distinct entities: Twitchell Management Authority and Nipomo Mesa Management Area Technical Group. However, GSWC's request in this proceeding included the recovery of the legal expenses related to these entities as well. Upon further discussion, the Parties agreed that three distinct memorandum accounts were authorized for specific expenses related to Santa Maria Groundwater Basin Adjudication as follows:

- Santa Maria Water Rights Balancing Account to track recovery of costs incurred through 12/31/05, approved under A.L. 1244-WA
- Santa Maria Water Rights Memorandum Account to track litigation costs incurred after 12/31/05, approved under A.L. 1244-WA
- Santa Maria Stipulation Memorandum Account to track management fees incurred after 12/31/05, approved under A.L. 1246-W

The Parties agree that if: (a) GSWC follows the Commission's directives issued in D.07-05-041 and advice letter 1246-W for the tracking and recovery of the associated costs related to the three aforementioned memorandum accounts; and (b) does not include any of the costs mentioned above in rate recovery outside the respective memorandum accounts, these memorandum accounts can be considered active or valid through rate cycle of A.10-01-009 and beyond. See page 73 of the Settlement Agreement.

B. The Settlement Agreement is Consistent with the Law

The Parties are aware of no statutory provision or prior Commission decision that would be contravened or compromised by the Settlement Agreement. The issues resolved in the Settlement Agreement are within the scope of this proceeding. The Settlement Agreement will produce just and reasonable rates.

C. The Settlement Agreement is in the Public Interest

The Commission has held that a settlement that "commands broad support among participants fairly reflective of the affected interests" and "does not contain terms which contravene statutory provisions or prior Commission decisions" serves the public interest.¹² In this proceeding, the primary public interest is in the delivery of safe and reliable water service at reasonable rates. The Settlement Agreement advances this interest by fairly balancing GSWC's opportunity to earn a reasonable rate of return against the needs of consumers for safe and reliable water service at reasonable rates.

Moreover, the Commission has expressed a "strong public policy" in favor of settlements.¹³ This policy supports many worthwhile goals, including the reduction of litigation expenses, conservation of

¹² Re San Diego Gas & Elec., Decision 92-12-019, 46 CPUC 2d 538, 552.

¹³ Decision 05-03-022.

scarce Commission resources and risk reduction relating to unknown and potentially unacceptable litigation outcomes.¹⁴ As the Commission has recently stated:

“This strong public policy favoring settlements weighs in favor of our resisting the temptation to alter the results of the negotiation process. As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest it should be adopted.”¹⁵

Here, Commission approval of the Settlement Agreement will provide for the speedy resolution of contested issues, will save unnecessary litigation expense and will conserve Commission resources. The Parties have offered extensive testimony and exhibits in support of the Settlement Agreement. For these foregoing reasons, the Settlement Agreement is consistent with Commission precedent, does not contravene statutory law and is in the public interest.

¹⁴ See Decision 08-01-043.

¹⁵ *Id.* (citing Decision 92-12-019, 46 CPUC 2d 538, 553).

IV. CONCLUSION

The Settlement Agreement is reasonable in light of the whole record, consistent with applicable law, and in the public interest. For all the reasons stated above, the Parties request that the Commission adopt the attached Settlement Agreement in its entirety.

Respectfully submitted,

August 9, 2010

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EXHIBIT 1

**(JOINT MOTION OF GOLDEN STATE WATER COMPANY AND THE DIVISION
OF RATEPAYER ADVOCATES TO APPROVE SETTLEMENT AGREEMENT)**

**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 \$2,911,400 or 29.9% in 2011 and by \$321,200 or 2.5% in 2012 in its Arden Cordova Service Area;
to increase rates for water service by \$1,782,400 or 33.2% in 2011 and by -\$66,200 or -0.9% in 2012 in its Bay Point Service Area;
to increase rates for water service by \$409,100 or 22.6% in 2011 and by \$23,300 or 1.0% in 2012 in its Clearlake Service Area;
to increase rates for water service by \$1,467,000 or 48.5% in 2011 and by \$50,100 or 1.1% in 2012 in its Los Osos Service Area;
to increase rates for water service by \$1,647,900 or 38.8% in 2011 and by \$343,200 or 5.9% in 2012 in its Ojai Service Area;
to increase rates for water service by \$2,350,700 or 25.2% in 2011 and by \$363,200 or 3.1% in 2012 in its Santa Maria Service Area and;
to increase rates for water service by \$799,500 or 6.5% in 2011 and by \$213,000 or 1.6% in 2012 in its Simi Valley Service Area

Application No. 10-01-009
(Filed January 13, 2010)

STIPULATION

1.00 Introduction

- 1.01 This Stipulation resolves a portion of the issues in the general rate case (GRC) application of the Golden State Water Company (GSWC) (U133W) for an increase in its general rates for water service in its Region I Customer Service Area, A. 10-01-009.
- 1.02 The Parties to this Stipulation are GSWC and the Division of Ratepayer Advocates (DRA) of the Commission, collectively referred to as the "Parties."
- 1.03 DRA reviewed GSWC's GRC application, which was formally filed on January 13, 2010 and amended to include the request for balancing account review and recovery on January 27, 2010; made field tours of the water system, and appeared at Public Participation Hearings held in Rancho Cordova, Bay Point, Santa Maria and Ojai. On May 18, 2010,

DRA filed its "Report on the Results of Operations"; and "Report on the Regional Issues". On several occasions beginning on June 9, 2010, the Parties met and conferred. The Parties' stipulations are set forth in following pages:

1.04 Attached are the following appendices:

Appendix A – Comparative Summary of Earnings
Appendix B – Region I Capital Budget Items Stipulated between
DRA and GSWC

1.05 The Parties agree that neither signatory to this Stipulation nor any employee of DRA or GSWC assumes any personal liability as a result of this Stipulation. The Parties agree that no legal action involving any matter related to this Stipulation may be brought in any state or federal court or in any other legal forum against any individual signatory or employee representing the interests of the Parties, any attorney representing the Parties, or the Parties themselves. Any interpretation of this Stipulation, including all rights and remedies of the Parties, shall be decided by the Commission. Furthermore, the Parties understand and intend that according to Commission rules and regulations, the Commission's acceptance and adoption of this Settlement may not be used as a precedent or a policy of any kind for or against any of the Parties or any other water corporation, in this or any future proceeding.

1.06 After conducting discovery, negotiating in person, and analyzing their respective interests and claims, 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. The Parties jointly request that Commission accept and adopt this proposed Settlement as reasonable, consistent with the law, and in the ratepayers' interests.

2.00 Plant

GSWC and DRA have resolved most of the differences regarding plant additions in GSWC's Region I.

2.01 ALL District Region I Plant Issues

ALL Districts Escalation Factor—GSWC used an inflation factor of 4.8% to escalate the 2008 costs to obtain 2010, 2011, and 2012 budgets. The inflation factor is from the June 2009 Engineering News Record (ENR)

Construction Cost Index. The index tracks the construction cost for labor, steel, concrete, and lumber from 1908 to present in 20 cities. DRA recommends zero for the inflation factor for plant additions. After discussions between GSWC and DRA it was agreed GSWC would use 3.7% for the escalation factor. Escalation factors are 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.

ALL Districts Contingency Rate—GSWC used a contingency rate of 10% for both stand-alone major capital projects and Blanket Projects. Contingency is used to fund cost overruns on budgeted projects and to fund unexpected or emergency projects and/or repairs. DRA recommends using a 5% contingency rate for both stand-alone major capital projects and Blanket Projects. After discussions between GSWC and DRA it was agreed GSWC would use a contingency rate of 7.5% for stand-alone major capital projects and 2.5% for Blanket Projects. 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.

ALL Districts Urban Water Management Plans (UWMP)—GSWC requested \$100,000 in 2010 to hire a contractor to update the UWMP for each system that is required to produce a plan. In 1983, the Urban Water Management Planning Act and subsequent SB318 required water suppliers with more than 3,000 service connections or water use of more than 3,000 acre-feet per year to submit a UWMP once every five years. DRA recommended \$0 for Bay Point, \$31,200 for Santa Maria, \$36,400 for Simi Valley, and \$37,000 for Arden Cordova. After discussions between GSWC and DRA it was agreed that GSWC would use \$55,000 per plan based on the price negotiated and contract entered into by GSWC with the successful vendor. GSWC plans to complete some of the work with its own staff to keep the costs down.

Actual Cost Incurred

GSWC will record the actual costs incurred for all additions to rate base in 2010, 2011 and 2012 whether those amounts are greater or less than what was forecasted in the GRC. As required by the rate case plan, GSWC will report all significant changes between the amounts adopted and the actual amounts recorded in its next GRC¹.

¹ D.07-05-062 Page A-26 Section II. Testimony Requirements; D. Rate Base Page A-26

2.02

District Specific Projects Originally Disputed by DRA

Northern District Office Furniture and Equipment

GSWC requested \$11,000 in 2010 to purchase office furniture and equipment for the Northern District relocation to the Operations facility with the new Arden Cordova CSA office. DRA recommended against the lease of the new CSA office. After discussions between GSWC and DRA, it was agreed that GSWC would make temporary improvement to its current workspace while working on a more comprehensive proposal for a permanent solution in the next GRC. The Northern District office will not be relocated at this time.

Northern District Office Security System (SOLA)

GSWC requested \$11,300 in 2010 for a security system for the new CSA office. DRA recommended against the lease of the new CSA office. After discussions between GSWC and DRA, it was agreed that GSWC would not lease a new CSA office at this time and make temporary improvement to its current workspace.

Arden-Cordova Morse Plant Site Improvements—GSWC requested \$120,600 in 2010 to install a drainage system, re-grade/re-pave driveway, upgrade the entrance gate and fencing around the plant, install a service light, and replace a worn isolation valve on the hydro-pneumatic tank. DRA recommended \$2,700 to only replace a worn isolation valve on the hydro-pneumatic tank. After discussions between GSWC and DRA it was agreed GSWC would install a drainage system, re-grade/re-pave driveway, and replace a worn isolation valve on the hydro-pneumatic tank for a total cost of \$65,000.

Arden-Cordova Hydraulic Model Coloma/Pyrites Plant Sites—GSWC requested \$45,800 in 2011 to hire a consultant to develop a hydraulic model. DRA recommended the Commission to disallow this project at this time. Following settlement discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation. GSWC will not develop a hydraulic model at this time.

Arden-Cordova Blanket Item - Meters—GSWC requested \$154,100 in 2010, \$164,100 in 2011, and \$172,000 in 2012 for meters. DRA recommended \$121,800 in 2010, \$123,700 in 2011, and \$123,700 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$137,950 in 2010, \$143,900 in 2011, and \$147,850 in 2012. GSWC will continue to replace Meters as needed.

Arden-Cordova Blanket Item - Services —GSWC requested \$196,100 in 2010, \$208,800 in 2011, and \$218,900 in 2012 for services. DRA recommended \$168,300 in 2010, \$171,000 in 2011, and \$171,000 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$182,250 in 2010, \$189,900 in 2011, and \$194,950 in 2012. GSWC will continue to replace Services as needed.

Arden-Cordova Blanket Item Miscellaneous Bowl Replacements —GSWC requested \$47,000 in 2010, \$47,000 in 2011, and \$47,000 in 2012 for miscellaneous bowl replacements. DRA recommended \$31,700 in 2010, \$32,200 in 2011, and \$32,200 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$39,350 in 2010, \$39,600 in 2011, and \$39,600 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Arden-Cordova Blanket Item Tools & Safety Equipment —GSWC requested \$13,900 in 2010, \$20,900 in 2011, and \$21,900 in 2012 for tools and safety equipment. DRA recommended \$13,200 in 2010, \$13,400 in 2011, and \$13,400 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation, adjusted to reflect the inflation factors discussed above. The agreed amounts are \$14,200 in 2010, \$15,000 in 2011, and \$15,500 in 2012. GSWC will continue to purchase Tools and Safety Equipment as needed.

Arden-Cordova Blanket Item Office Furniture and Equipment – GSWC requested \$19,000 in 2010 to purchase office furniture and equipment for the new CSA office. DRA recommended that the new CSA office be disallowed. After discussions between GSWC and DRA, it was agreed that GSWC would not lease a new CSA office at this time but make temporary improvement to its current workspace. DRA agreed to allow \$15,000 for furniture and equipment in the temporary workspace.

Arden-Cordova Blanket Item New Phone System – GSWC requested \$8,000 in 2010 to install a new phone system in the new CSA office. DRA recommended against the new CSA office. After discussions between GSWC and DRA, it was agreed that GSWC would make temporary improvement to its current workspace. However, a new phone system is not needed.

Arden-Cordova Blanket Item Computers for 8 Field Staff – GSWC requested \$10,700 in 2010 to purchase computers for its field staff. DRA recommended that this budget be disallowed. After discussions between GSWC and DRA, it was agreed that GSWC would purchase computers for its field staff.

Bay Point Hill Street Reservoir Site — GSWC requested \$114,600 to remove two welded steel tanks with a total capacity of 0.63 MG. GSWC believes the tanks are no longer needed due to the change in operations in the at the Hill Street Plant and because there is available storage from the 1.0 MG Skyline Reservoir and the tanks have been off-line since April 2008. DRA recommended that the Commission disallow GSWC's request to demolish and raze Reservoirs #1 and #2 from the Hill Street Site. After discussions between GSWC and DRA it was agreed GSWC would not raze Reservoirs #1 and #2 at this time. Both parties agreed to an additional \$2,500 per year for maintenance costs for these reservoirs.

Bay Point Blanket Item Miscellaneous Bowl Replacements —GSWC requested \$11,000 in 2010, \$11,000 in 2011, and \$11,000 in 2012 for miscellaneous bowl replacements. DRA recommended \$2,900 in 2010, \$2,900 in 2011, and \$2,900 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$5,000 each year. GSWC will continue to purchase Replacement Bowls as needed.

Clearlake Oakcrest Reservoir Fence—GSWC requested \$85,400 in 2012 to install a tubular steel fence to improve the security and physical appearance of the Oakcrest Reservoir Site. DRA recommended \$5,000 for this project. After discussions between GSWC and DRA it was agreed GSWC would install a chain link fence for a total cost of \$30,000.

Clearlake Blanket Item Miscellaneous Bowl Replacements —GSWC requests \$6,000 in 2010, \$1,300 in 2011, and \$1,300 in 2012 for miscellaneous bowl replacements. DRA recommended \$0 in 2010, \$0 in 2011, and \$0 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$6,000 in 2010, \$1,300 in 2011, and \$1,300 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Clearlake Blanket Item Minor Main Replacements —GSWC requested \$47,400 in 2010, \$50,400 in 2011, and \$52,900 in 2012 for minor main

replacements. DRA recommended \$8,900 in 2010, \$9,000 in 2011, and \$9,000 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$14,200 in 2010, \$15,000 in 2011, and \$15,500 in 2012. GSWC will continue to purchase Minor Main Replacement as needed.

Clearlake Blanket Item Tools & Safety Equipment—GSWC requested \$6,200 in 2010, \$1,900 in 2011, and \$2,000 in 2012 for tools and safety equipment. DRA recommended \$6,200 in 2010, \$1,600 in 2011, and \$1,600 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$6,200 in 2010, \$1,800 in 2011, and \$1,900 in 2012. GSWC will continue to purchase Tools & Safety Equipment as needed.

Los Osos Trailer Mounted Valve & Vacuum Machine – GSWC requests \$60,000 in 2010 to purchase a new trailer mounted valve and vacuum machine. DRA recommends the Commission to disallow this project. After discussions between GSWC and DRA it was agreed GSWC would purchase the trailer mounted valve and vacuum machine for the requested amount.

Los Osos Service Truck For New Water Distribution Operator – GSWC requested \$52,003 in 2011 to purchase a new service truck for the new water distribution operator. DRA recommended the Commission approve the new position but disallow this project. After discussions between GSWC and DRA it was agreed GSWC would purchase new service truck for \$52,003 for the new water distribution operator.

Los Osos Los Olivos Plant Replace Booster Pump – GSWC requested \$6,200 in 2010 for permit, design and \$29,100 in 2010 to replace booster A at the Los Olivos Plant. DRA recommended the Commission to disallow this project. After discussions between GSWC and DRA it was agreed that GSWC would accept DRA's recommendation

Los Osos Country Club Tanks Install Lighting – GSWC requested \$5,700 in 2012 for permit, design and \$23,700 in 2012 for construction in 2012 to install lighting around the Country Club Tanks. DRA recommended the Commission to disallow this project. After discussions between GSWC and DRA it was agreed that GSWC would accept DRA's recommendation

Los Osos Blanket Item Miscellaneous Bowl Replacements—GSWC

requests \$75,000 in 2010, \$80,000 in 2011, and \$85,000 in 2012 for miscellaneous bowl replacements. DRA recommended \$46,800 in 2010, \$47,000 in 2011, and \$47,000 in 2012 for miscellaneous bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$60,900 in 2010, \$63,750 in 2011, and \$66,250 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Los Osos Minor Main Replacement— GSWC requested \$5,000 in 2010, \$5,500 in 2011, and \$6,000 in 2012 for minor main replacements. DRA recommended \$0 in 2010, \$0 in 2011, and \$0 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$0 in 2010, \$0 in 2011, and \$0 in 2012.

Ojai New Roof for Signal Booster Pump House – GSWC requested \$5,000 in 2010 for replacing a roof at the Signal Booster Pump House. DRA recommended \$1,000 for this project. After discussions between GSWC and DRA it was agreed GSWC would replace the roof at a total cost of \$2,500.

Ojai Service Truck For New Water Distribution Operator – GSWC requested \$52,003 in 2011 to purchase a new service truck for the new water distribution operator. DRA recommended the Commission disallow the new position and also disallow this project. After discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation on the service truck.

Ojai Blanket Item Minor Purification Equipment—GSWC requested \$2,000 in 2010, \$2,200 in 2011, and \$2,400 in 2012 for minor purification equipment. DRA recommended \$300 in 2010, \$300 in 2011, and \$300 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$1,150 in 2010, \$1,250 in 2011, and \$1,350 in 2012. GSWC will continue to purchase Water Purification Equipment as dictated by changes in water quality.

Ojai Blanket Item Office Furniture—GSWC requested \$30,000 in 2010, \$27,600 in 2011, and \$28,900 in 2012 for office furniture. DRA recommended \$1,900 in 2010, \$2,000 in 2011, and \$2,000 in 2012 for office furniture. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$15,000 in 2010, \$2,000 in 2011, and \$2,000 in 2012.

Ojai Blanket Item Tools & Safety Equipment—GSWC requested \$21,000 in 2010, \$500 in 2011, and \$500 in 2012 for tools and safety equipment. DRA recommended \$21,000 in 2010, \$400 in 2011, and \$400 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$21,000 in 2010, \$450 in 2011, and \$450 in 2012.

Ojai Minor Main Replacement— GSWC requested \$89,000 in 2010, \$78,800 in 2011, and \$82,600 in 2012 for minor main replacements. DRA recommended \$0 in 2010, \$0 in 2011, and \$0 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$74,300 in 2010, \$78,300 in 2011, and \$81,200 in 2012. GSWC will continue to purchase Minor Main Replacement as needed.

Santa Maria Tanglewood #1 Ion Exchange (IX) Unit – GSWC requested \$614,300 in 2010 to purchase the portable IX unit that the company has been leasing from Basin Water. DRA recommended \$273,302 for this project, the amount GSWC actually incurred to purchase the unit. After discussions between GSWC and DRA it was agreed that the actual cost incurred to buy the used IX unit of \$273,302, should be included in ratebase.

Santa Maria Blanket Item Minor Purification Equipment—GSWC requested \$12,000 in 2010, \$15,000 in 2011, and \$18,000 in 2012 for minor purification equipment. DRA recommended \$8,300 in 2010, \$8,400 in 2011, and \$8,400 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$10,150 in 2010, \$11,700 in 2011, and \$13,200 in 2012. GSWC will continue to purchase Water Purification Equipment as dictated by changes in water quality.

Santa Maria Blanket Item Office Furniture—GSWC requested \$44,375 in 2010, \$25,000 in 2011, and \$25,000 in 2012 for office furniture. DRA recommended \$3,300 in 2010, \$3,400 in 2011, and \$3,400 in 2012 for office furniture. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$22,188 in 2010, \$3,400 in 2011, and \$3,400 in 2012.

Santa Maria Blanket Item Tools & Safety Equipment—GSWC requested \$15,000 in 2010, \$6,100 in 2011, and \$6,400 in 2012 for tools and safety equipment. DRA recommended \$5,900 in 2010, \$6,000 in 2011, and

\$6,000 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$10,450 in 2010, \$6,050 in 2011, and \$6,200 in 2012. GSWC will continue to purchase Tools and Safety Equipment only as needed.

Simi Valley Katherine Plant – GSWC requested \$360,900 in 2010 for the permit, design, and construction of installing an additional booster pump and enclosure at the Katherine Plant. The additional booster is needed to resolve supply deficiency. DRA recommended the Commission disallow the project. After discussions between GSWC and DRA it was agreed GSWC would do the permit, design, and construction of installing an additional booster pump for a total cost of \$309,000. GSWC will not build the enclosure at this time.

Simi Valley Tapo Plant Booster Improvements – GSWC requested \$153,500 in 2011 for permit, design, and construction of Tapo booster improvement project. GSWC plans to install a flow meter, de-stage boosters C, D, and E and install a booster pump enclosure at the Tapo Plant. DRA recommended disallowing this project. After discussions between GSWC and DRA it was agreed GSWC would do the permit, design, and construction to install a flow meter and de-stage boosters C, D, and E for a total cost of \$76,750. GSWC will not build the enclosure at this time.

Simi Valley Alamo Plant Vault Lid and Retaining Wall – GSWC requested \$26,100 in 2012 for permit, design and \$59,900 in 2012 for construction of retaining wall and replace vault lid at the Alamo Plant. DRA recommended \$55,400 for construction of the retaining wall and to disallow the replacement of the vault lid. After discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation for \$55,400 to construct the retaining wall and not replace the vault lid.

Simi Valley Niles Plant Storage Building—GSWC requested \$45,900 in 2012 for permit, design and \$366,500 in 2012 to construct a storage building at the Niles Plant. DRA recommends the Commission to disallow this project. After discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation at this time.

Simi Valley Sycamore Plant Well Enclosure – GSWC requested \$37,800 in 2011 for permit, design, and construction of installing an enclosure for

the Sycamore Well. DRA recommended the Commission to disallow this project. After discussions between GSWC and DRA it was agreed GSWC would accept DRA's recommendation at this time.

Simi Valley Blanket Item Misc Bowl Replacements—GSWC requested \$110,000 in 2010, \$20,000 in 2011, and \$22,000 in 2012 for misc bowl replacements. DRA recommended \$15,100 in 2010, \$15,400 in 2011, and \$15,400 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$55,000 in 2010, \$15,400 in 2011, and \$15,400 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Simi Valley Blanket Item Minor Purification Equipment—GSWC requested \$300 in 2010, \$300 in 2011, and \$400 in 2012 for minor purification equipment. DRA recommended \$300 in 2010, \$300 in 2011, and \$300 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$300 in 2010, \$300 in 2011, and \$300 in 2012. GSWC will continue to purchase Water Purification Equipment as dictated by changes in water quality.

2.03

The need for the projects listed below were not disputed by DRA, only the contingency and escalation rate. After discussions the Parties agreed to adjust the contingency rate to 7.5% and escalation rate to 3.7%.

Arden Cordova Filter Media Replacement – South 1—GSWC requested \$118,700 in 2010 to remove existing garnet anthracite media from filter South 1 at the Coloma Treatment Plant and install new media consisting of 10" anthracite and 36" garnet. DRA recommended \$103,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would replace the media for a total cost of \$113,600.

Arden Cordova Filter Media Replacement – South 4—GSWC requested \$134,600 in 2010 to remove existing garnet anthracite media from filter South 4 at the Coloma Treatment Plant and install new media consisting of 10" anthracite and 36" garnet. DRA recommended \$117,000 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would replace the media for a total cost of \$128,800.

Arden Cordova Gold River Road & Pyrites Way—GSWC requested

\$128,200 in 2010 to install 310 feet of new 12" Ductile Iron Pipe (DIP) at Highway 50 crossing south of Gold River Road and Pyrites Way. DRA recommended \$113,000 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 310 feet of new 12" DIP for a total cost of \$123,100.

Arden Cordova Pyrites Treatment Plant Pressure Transducer—GSWC requested \$32,100 in 2011 to install a pressure transducer to measure head-loss across Pyrites Treatment Plant. The plant currently uses a mechanical gauge. DRA recommended \$27,300 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new pressure transducer for a total cost of \$30,500.

Arden Cordova Pyrites Treatment Effluent Booster—GSWC requested \$131,200 in 2011 to restage or replace Pyrites Treatment Plant effluent boosters A, B, and C. DRA recommended \$110,300 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new pressure transducer for a total cost of \$124,500.

Arden Cordova Pyrites Treatment Anionic Polymer Feed—GSWC requested \$99,400 in 2011 to install an automatic feed system to allow the anionic polymer to be mixed on an "as-needed" basis to allow for optimal chemical usage at the Pyrites Treatment Plant. DRA recommended \$84,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new automatic feed system for a total cost of \$94,700.

Arden Cordova Gilbert, El Segundo, & Marcel Plants—GSWC requested \$189,000 in 2011 to destroy Gilbert, El Segundo, and Marcel wells, abandon system tie-ins, and raze sites. DRA recommended \$158,400 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would destroy and raze the wells for a total cost of \$179,400.

Arden Cordova Filter Media Replacement – North 6—GSWC requested \$126,400 in 2011 to remove existing garnet anthracite media from filter North 6 at the Coloma Treatment Plant and install new media consisting of 10" anthracite and 36" garnet. DRA recommended \$104,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would replace the media for a total cost of

\$119,700.

Arden Cordova Filter Media Replacement – South 2—GSWC requested \$126,400 in 2011 to remove existing garnet anthracite media from filter South 2 at the Coloma Treatment Plant and install new media consisting of 10” anthracite and 36” garnet. DRA recommended \$104,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would replace the media for a total cost of \$119,700.

Arden Cordova Pinetree Court Hydrant—GSWC requested \$11,700 in 2011 to install new 6 inch flushing hydrant at end of the cul-de-sac on Pinetree Court. DRA recommended \$9,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$11,100.

Arden Cordova Sunrise Blvd Hydrant—GSWC requested \$10,000 in 2011 to install new 6 inch flushing hydrant at end of the main on Sunrise Blvd, south of Zinfandel Drive. DRA recommended \$8,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$9,500.

Arden Cordova McGregor Drive at Folsom Blvd Hydrant—GSWC requested \$8,300 in 2011 to install new 6 inch flushing hydrant at the intersection of McGregor Drive and Folsom Blvd. DRA recommended \$7,100 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$7,900.

Arden Cordova Aramon Drive and Folsom Blvd Hydrant—GSWC requested \$10,000 in 2011 to install new 4 inch flushing hydrant at end of the main on Aramon Drive, north of Folsom Blvd. DRA recommended \$8,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$9,500.

Arden Cordova Athens River Court Hydrant—GSWC requested \$11,700 in 2011 to install new 4 inch flushing hydrant at end of the cul-de-sac on Athens River Court. DRA recommended \$9,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was

agreed GSWC would install the new flushing hydrant for a total cost of \$11,100.

Arden Cordova Centerville Court Hydrant—GSWC requested \$10,500 in 2012 to install new 4 inch flushing hydrant at end of the cul-de-sac on Centerville Court. DRA recommended \$8,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$9,800.

Arden Cordova Boulder Mine Way Hydrant—GSWC requested \$10,500 in 2012 to install new 6 inch flushing hydrant at end of the cul-de-sac on Boulder Mine Way. DRA recommended \$8,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$9,800.

Arden Cordova Summit Mine Court Hydrant—GSWC requested \$10,500 in 2012 to install new 6 inch flushing hydrant at end of the cul-de-sac on Summit Mine Court. DRA recommended \$8,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new flushing hydrant for a total cost of \$9,800.

Arden Cordova Minor Main Replacement— GSWC requested \$32,500 in 2010, \$34,600 in 2011, and \$36,200 in 2012 for minor main replacements. DRA recommended \$29,600 in 2010, \$30,000 in 2011, and \$30,000 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$31,800 in 2010, \$33,500 in 2011, and \$34,700 in 2012. GSWC will continue to purchase Minor Main Replacement as needed.

Arden Cordova Minor Purification Equipment— GSWC requested \$12,600 in 2010, \$13,400 in 2011, and \$14,100 in 2012 for minor purification equipment. DRA recommended \$11,500 in 2010, \$11,700 in 2011, and \$11,700 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$12,300 in 2010, \$13,000 in 2011, and \$13,500 in 2012.

Bay Point Marcia Booster Station—GSWC requested \$17,800 in 2010 to re-design and build stand-up pump house to protect pump at Marcia Booster Station. DRA recommended \$15,900 for this project. After

adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the pump house for a total cost of \$17,100.

Bay Point Hill Street Reservoir #3—GSWC requested \$34,900 in 2011 to replace torn baffle in Hill Street Reservoir #3. DRA recommended \$29,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would replace the baffle for a total cost of \$33,200.

Bay Point Manor Drive & Willow Pass Road—GSWC requested \$208,400 in 2011 to replace 750 feet of 4 ½" steel main with new 8" DIP on Manor Drive from Willow Pass Road to Beverly Circle. DRA recommended \$175,300 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 750 feet of new 8" DIP for a total cost of \$198,000.

Bay Point Recoat Hill Street Reservoir #3—GSWC requested \$58,600 in 2012 to recoat the exterior of Hill Street Reservoir #3. DRA recommended \$47,400 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would recoat the exterior for a total cost of \$55,200.

Bay Point Blanket Item - Meters —GSWC requested \$17,800 in 2010, \$18,900 in 2011, and \$19,800 in 2012 for meters. DRA recommended \$16,200 in 2010, \$16,400 in 2011, and \$16,400 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$17,400 in 2010, \$18,300 in 2011, and \$19,000 in 2012. GSWC will continue to replace Meters as needed.

Bay Point Blanket Item - Services —GSWC requested \$272,000 in 2010, \$289,600 in 2011, and \$303,500 in 2012 for services. DRA recommended \$247,700 in 2010, \$251,600 in 2011, and \$251,600 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$266,300 in 2010, \$280,600 in 2011, and \$291,000 in 2012. GSWC will continue to replace Services as needed.

Bay Point Minor Purification Equipment— GSWC requested \$7,100 in 2010, \$7,600 in 2011, and \$7,900 in 2012 for minor purification equipment. DRA recommended \$6,500 in 2010, \$6,600 in 2011, and \$6,600 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$7,000 in 2010, \$7,300 in 2011, and \$7,600 in 2012.

Bay Point Minor Main Replacement— GSWC requested \$62,400 in 2010, \$66,400 in 2011, and \$69,600 in 2012 for minor main replacements. DRA recommended \$56,800 in 2010, \$57,700 in 2011, and \$57,700 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$61,100 in 2010, \$64,400 in 2011, and \$66,700 in 2012. GSWC will continue to purchase Minor Main Replacement as needed.

Bay Point Blanket Item Tools & Safety Equipment—GSWC requested \$4,200 in 2010, \$4,500 in 2011, and \$4,800 in 2012 for tools and safety equipment. DRA recommended \$3,900 in 2010, \$3,900 in 2011, and \$3,900 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$4,200 in 2010, \$4,400 in 2011, and \$4,600 in 2012. GSWC will continue to purchase Tools and Safety Equipment as needed.

Clearlake Oakcrest Reservoir Recoat Interior—GSWC requested \$126,700 in 2010 to recoat the interior of Oakcrest Reservoir and install a cathodic protection system. DRA recommended \$110,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would recoat the interior and install a cathodic protection system for a total cost of \$121,300.

Clearlake Sonoma Plant GAC Change Out—GSWC requested \$72,200 in 2010 to remove spent carbon from both GAC contactors and replace carbon with 40,000 lbs of new GAC media at the Sonoma Water Treatment Plant. DRA recommended \$62,800 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would remove and replace the GAC media for a total cost of \$69,100.

Clearlake San Joaquin Drive & Lakeshore Drive—GSWC requested \$224,600 in 2010 to replace 950 feet of 4" steel main with new 8" PVC on San Joaquin Drive from lakeshore Drive to Parkview Drive. DRA recommended \$196,400 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 950 feet of new 8" PVC for a total cost of \$215,200.

Clearlake Manchester Booster Station—GSWC requested \$36,200 in 2011 to replace the booster pump at the Manchester Interconnection. DRA recommended \$30,900 for this project. After adjusting for the agreed

upon contingency and escalation rates it was agreed GSWC would replace the booster for a total cost of \$34,500.

Clearlake Parkview Drive & San Joaquin Drive—GSWC requested \$305,900 in 2011 to install 1,250 feet of new 8" PVC on Parkview Drive from San Joaquin Drive to Terrace Drive. DRA recommended \$257,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 1250 feet of new 8" PVC for a total cost of \$290,600.

Clearlake Oakcrest Booster Station—GSWC requested \$26,400 in 2012 to an additional booster pump and controls at the Oakcrest booster station. DRA recommended \$22,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install the new booster and controls for a total cost of \$25,100.

Clearlake Manatee Ave & Pomo Road—GSWC requested \$123,200 in 2012 to replace 300 feet of ¾" Poly main with new 8" PVC on Manatee Avenue from Pomo Road to Scenic Road. DRA recommended \$100,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 300 feet of new 8" PVC for a total cost of \$116,100.

Clearlake Blanket Item - Meters —GSWC requested \$14,500 in 2010, \$15,500 in 2011, and \$16,200 in 2012 for meters. DRA recommended \$13,200 in 2010, \$13,400 in 2011, and \$13,400 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$14,200 in 2010, \$15,000 in 2011, and \$15,500 in 2012. GSWC will continue to replace Meters as needed.

Clearlake Blanket Item - Services —GSWC requested \$117,600 in 2010, \$125,300 in 2011, and \$131,300 in 2012 for services. DRA recommended \$107,100 in 2010, \$108,800 in 2011, and \$108,800 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$115,200 in 2010, \$121,400 in 2011, and \$125,900 in 2012. GSWC will continue to replace Services as needed.

Clearlake Minor Purification Equipment— GSWC requested \$1,200 in 2010, \$1,300 in 2011, and \$1,400 in 2012 for minor purification equipment. DRA recommended \$1,100 in 2010, \$1,100 in 2011, and \$1,100 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include

\$1,200 in 2010, \$1,300 in 2011, and \$1,300 in 2012.

Los Osos Country Club Plant Install Lighting – GSWC requested \$87,500 in 2012 to install lighting around the Country Club Plant. DRA recommended \$87,500 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would install the lighting for a total cost of \$82,300

Los Osos Rosina Blending Project – GSWC requested \$400,200 in 2010 to reactivate Skyline Well, construct pipelines from Skyline Well and Pecho Well to the Rosina Plant, and install a forebay and booster station at the Rosina Plant. DRA recommended \$400,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would do the project for a total cost of \$375,100

Los Osos Bayview Plant Portable Generator – GSWC requested \$118,300 in 2011 to install quick connects and store portable generator with sound attenuation at the Bayview Plant. DRA recommended \$118,300 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would install the quick connects and store the portable generator with sound attenuation for a total cost of \$112,400

Los Osos Pecho Plant Replace MCC and SCADA – GSWC requested \$148,700 in 2011 to replace the existing MCC and install SCADA system at the Pecho Plant. DRA recommended \$148,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would replace the MCC and install the SCADA system for a total cost of \$141,200

Los Osos Bayview Plant Recoat Interior & Exterior – GSWC requested \$162,200 in 2012 to recoat the interior and exterior Bayview Plant, and install a cathodic protection system. DRA recommended \$162,200 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would recoat the interior and exterior, and install the cathodic protection system for a total cost of \$152,200.

Los Osos Los Olivos Plant Recoat Interior & Exterior – GSWC requested \$214,100 in 2012 to recoat the interior and exterior Los Olivos Plant, and install a cathodic protection system. DRA recommended \$214,100 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would recoat the interior and exterior, and install the cathodic protection system for a total cost of \$200,900.

Los Osos Install Fire Hydrant Isolation Valves – GSWC requested \$57,900 in 2012 to install 10 fire hydrant isolation valves in the Los Osos distribution system. DRA recommended \$57,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would install 10 fire hydrant valves for a total cost of \$54,600.

Los Osos Point Blanket Item - Meters—GSWC requested \$19,500 in 2010, \$20,800 in 2011, and \$21,800 in 2012 for meters. DRA recommended \$17,800 in 2010, \$18,000 in 2011, and \$18,000 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$19,100 in 2010, \$20,800 in 2011, and \$20,900 in 2012. GSWC will continue to replace Meters as needed.

Los Osos Blanket Item - Services—GSWC requested \$28,100 in 2010, \$29,900 in 2011, and \$31,300 in 2012 for services. DRA recommended \$27,500 in 2010, \$27,900 in 2011, and \$27,900 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$29,500 in 2010, \$31,100 in 2011, and \$32,300 in 2012. GSWC will continue to replace Services as needed.

Los Osos Minor Purification Equipment— GSWC requested \$2,700 in 2010, \$2,900 in 2011, and \$3,000 in 2012 for minor purification equipment. DRA recommended \$2,500 in 2010, \$2,500 in 2011, and \$2,500 in 2012 for minor purification equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$2,700 in 2010, \$2,800 in 2011, and \$2,900 in 2012.

Los Osos Blanket Item Tools & Safety Equipment—GSWC requested \$4,000 in 2010, \$2,900 in 2011, and \$3,000 in 2012 for tools and safety equipment. DRA recommended \$2,600 in 2010, \$2,700 in 2011, and \$2,700 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$2,800 in 2010, \$3,000 in 2011, and \$3,100 in 2012. GSWC will continue to purchase Tools and Safety Equipment as needed.

Los Osos Blanket Item Office Furniture —GSWC requested \$0 in 2010, \$3,500 in 2011, and \$4,000 in 2012 for office furniture. DRA recommended \$0 in 2010, \$400 in 2011, and \$400 in 2012 for office furniture. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$0 in 2010, \$1,950 in 2011, and \$2,200 in

2012.

Ojai San Antonio Plant Forebay – GSWC requested \$1,129,700 in 2010 to demo the existing 50,000 gallon forebay and replace it with a welded steel 500,000 gallon tank at the San Antonio Plant. DRA recommended \$1,129,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would demo the forebay and replace with a 500,000 gallon tank for a total cost of \$1,083,700.

Ojai Palomar Road & El Toro Road—GSWC requested \$335,400 in 2010 to install 1,400 feet of new 8” DIP on Palomar Road from El Toro Road to El Camino Road. DRA recommended \$335,400 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 1400 feet of new 8” DIP for a total cost of \$321,500.

Ojai Foothill Blvd & Valley View Booster Station—GSWC requested \$64,700 in 2010 and \$692,900 in 2011 to install 3,300 feet of new 8” DIP on Foothill Blvd from Valley View Booster Station to Heidelberger Tank. DRA recommended \$64,700 and \$692,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 3300 feet of new 8” DIP for a total cost of \$63,200 in 2010 and \$656,100 in 2011.

Ojai Fox Street & Bald Street—GSWC requested \$51,100 in 2011 and \$621,800 in 2012 to install 1,200 feet of new 8” DIP on Fox Street from south of Ojai Ave, and 1,100 feet of new 8” DIP on Bald Street from Ojai Ave to Pearl Street. DRA recommended \$51,100 and \$621,800 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 2300 feet of new 8” DIP for a total cost of \$49,900 in 2011 and \$582,500 in 2012.

Ojai Del Norte Road & Fairview Plant—GSWC requested \$27,400 in 2011 and \$224,600 in 2012 to install 1,000 feet of new 8” DIP on Del Norte Road south of Fairview Plant. DRA recommended \$27,400 and \$224,600 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 1000 feet of new 8” DIP for a total cost of \$26,800 in 2011 and \$210,400 in 2012.

Ojai Point Blanket Item - Meters —GSWC requested \$28,700 in 2010, \$30,500 in 2011, and \$32,000 in 2012 for meters. DRA recommended

\$21,000 in 2010, \$21,400 in 2011, and \$21,400 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$22,600 in 2010, \$23,800 in 2011, and \$24,700 in 2012. GSWC will continue to replace Meters as needed.

Ojai Blanket Item - Services—GSWC requested \$154,200 in 2010, \$164,200 in 2011, and \$172,100 in 2012 for services. DRA recommended \$117,500 in 2010, \$119,400 in 2011, and \$119,400 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$126,300 in 2010, \$133,100 in 2011, and \$138,000 in 2012. GSWC will continue to replace Services as needed.

Ojai Blanket Item Miscellaneous Bowl Replacements—GSWC requested \$120,000 in 2010, \$130,000 in 2011, and \$140,000 in 2012 for miscellaneous bowl replacements. DRA recommended \$106,200 in 2010, \$107,900 in 2011, and \$107,900 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$114,200 in 2010, \$120,300 in 2011, and \$124,800 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Santa Maria Union Valley Parkway & Bradley Road—GSWC requested \$154,700 in 2010 to lower the depth of 700 feet water main in Bradley Road near Union Parkway by replacing 10" AC pipe with new 12" DIP. DRA recommended \$154,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 700 feet of new 12" DIP for a total cost of \$130,300.

Santa Maria Dakota Drive Scrub Seal—GSWC requested \$14,300 in 2010 to scrub seal approximately 2,400 square yards of Dakota Drive. DRA recommended \$14,300 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would scrub seal Dakota Drive for a total cost of \$13,800.

Santa Maria East Clark Avenue & South Pacific Street—GSWC requested \$545,000 in 2010 to replace 2,000 feet undersized steel water mains with new 8" DIP on East Clark Avenue from South Pacific Street to Norris Avenue. DRA recommended \$545,000 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed GSWC would install 2000 feet of new 8" DIP for a total cost of \$489,000.

Santa Maria Point Blanket Item - Meters—GSWC requested \$147,800 in 2010, \$157,300 in 2011, and \$157,300 in 2012 for meters. DRA

recommended \$134,500 in 2010, \$136,700 in 2011, and \$136,700 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$144,700 in 2010, \$152,400 in 2011, and \$158,100 in 2012. GSWC will continue to replace Meters as needed.

Santa Maria Blanket Item - Services—GSWC requested \$268,800 in 2010, \$286,200 in 2011, and \$300,000 in 2012 for services. DRA recommended \$244,700 in 2010, \$248,700 in 2011, and \$248,700 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$263,200 in 2010, \$277,300 in 2011, and \$287,600 in 2012. GSWC will continue to replace Services as needed.

Santa Maria Minor Main Replacement— GSWC requested \$16,400 in 2010, \$17,500 in 2011, and \$18,300 in 2012 for minor main replacements. DRA recommended \$15,000 in 2010, \$15,200 in 2011, and \$15,200 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$16,100 in 2010, \$16,900 in 2011, and \$17,600 in 2012. GSWC will continue to purchase Minor Main Replacement as needed.

Santa Maria Blanket Item Miscellaneous Bowl Replacements —GSWC requested \$217,500 in 2010, \$235,000 in 2011, and \$252,000 in 2012 for miscellaneous bowl replacements. DRA recommended \$196,000 in 2010, \$196,000 in 2011, and \$196,000 in 2012 for misc bowl replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$210,772 in 2010, \$218,571 in 2011, and \$226,658 in 2012. GSWC will continue to purchase Replacement Bowls as needed.

Simi Valley Lautenschlager & Tapo Tanks Seismic Upgrades – GSWC requested \$450,900 in 2010 to install EBAA Flex-Tend double ball joint couplings to the inlet and outlet connections of the tanks to allow differential movement. Modify the tanks drain, overflow piping, and final drainage. DRA recommended \$450,900 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would do the seismic upgrades for a total cost of \$432,600

Simi Valley Niles Plant Efficiency Improvements – GSWC requested \$55,600 in 2010 and \$464,800 in 2011 to replace boosters D, E, and F and install a PRV, two motorized operating valves, three TDS analyzers, one flow meter, and additional piping to the forebay at the Niles Plant. DRA recommended \$55,600 in 2010 and \$464,800 in 2011 for this project. After adjusting for the agreed upon contingency and escalation

rates it was agreed that GSWC would do all the plant efficiency improvements for a total cost of \$54,300 in 2010 and \$440,100 in 2011.

Simi Valley Lautenschlager Tanks Cathodic Protection—GSWC requested \$26,700 in 2011 to install a cathodic protection system for both Lautenschlager Tanks. DRA recommended \$26,700 for this project. After adjusting for the agreed upon contingency and escalation rates it was agreed that GSWC would install a cathodic protection system for a total cost of \$25,400.

Simi Valley Point Blanket Item - Meters —GSWC requested \$91,500 in 2010, \$97,400 in 2011, and \$102,100 in 2012 for meters. DRA recommended \$62,700 in 2010, \$63,700 in 2011, and \$63,700 in 2012 for meters. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$67,400 in 2010, \$71,000 in 2011, and \$73,600 in 2012. GSWC will continue to replace Meters as needed.

Simi Valley Blanket Item - Services —GSWC requested \$30,800 in 2010, \$32,700 in 2011, and \$34,300 in 2012 for services. DRA recommended \$25,700 in 2010, \$26,100 in 2011, and \$26,100 in 2012 for services. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$27,600 in 2010, \$29,100 in 2011, and \$30,200 in 2012. GSWC will continue to replace Services as needed.

Simi Valley Minor Main Replacement— GSWC requested \$5,000 in 2010, \$5,500 in 2011, and \$6,000 in 2012 for minor main replacements. DRA recommended \$0 in 2010, \$0 in 2011, and \$0 in 2012 for minor main replacements. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$0 in 2010, \$0 in 2011, and \$0 in 2012.

Simi Valley Blanket Item Office Furniture —GSWC requested \$0 in 2010, \$3,500 in 2011, and \$4,000 in 2012 for office furniture. DRA recommended \$0 in 2010, \$2,400 in 2011, and \$2,400 in 2012 for office furniture. After discussions between GSWC and DRA it was agreed that it was reasonable to include \$0 in 2010, \$2,700 in 2011, and \$2,800 in 2012.

Simi Valley Blanket Item Tools & Safety Equipment —GSWC requested \$5,000 in 2010, \$24,300 in 2011, and \$25,500 in 2012 for tools and safety equipment. DRA recommended \$15,800 in 2010, \$16,100 in 2011, and \$16,100 in 2012 for tools and safety equipment. After discussions between GSWC and DRA it was agreed that it was reasonable to include

\$17,000 in 2010, \$17,900 in 2011, and \$18,600 in 2012. GSWC will continue to purchase Tools and Safety Equipment as needed.

2.04

The need for the projects and the costs for the projects listed below were not disputed by DRA. The table reflects the agreed upon expenses for each year.

Miscellaneous Street Improvements

District 2010		2011	2012
Arden Cordova	\$32,500	\$32,500	\$32,500
Bay Point	\$21,500	\$21,500	\$21,500
Clearlake \$2,300		\$2,300	\$2,300
Los Osos	\$10,000	\$10,000	\$10,000
Ojai \$10,000		\$10,000	\$10,000
Santa Maria	\$0	\$20,000	\$20,000
Simi Valley	\$10,000	\$10,000	\$10,000

New Business Funded by GSWC

District 2010		2011	2012
Arden Cordova	\$25,000	\$25,000	\$25,000
Bay Point	\$5,000	\$5,000	\$5,000
Clearlake \$5,000		\$5,000	\$5,000
Los Osos	\$5,000	\$5,000	\$5,000
Ojai \$5,000		\$5,000	\$5,000
Santa Maria	\$25,000	\$25,000	\$25,000
Simi Valley	\$10,000	\$10,000	\$10,000

Miscellaneous Valve Replacements

District 2010		2011	2012
Arden Cordova	\$0	\$0	\$0
Bay Point	\$0	\$0	\$0
Clearlake \$0		\$0	\$0
Los Osos	\$5,000	\$5,500	\$6,000
Ojai \$40,000		\$42,000	\$45,000
Santa Maria	\$15,000	\$17,000	\$19,000
Simi Valley	\$4,000	\$4,500	\$5,000

Miscellaneous Hydrant Replacements

District 2010		2011	2012
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Arden Cordova	\$0	\$0	\$0
Bay Point	\$0	\$0	\$0
Clearlake \$0		\$0	\$0
Los Osos	\$7,500	\$8,000	\$8,500
Ojai \$12,000		\$13,000	\$14,000
Santa Maria	\$15,000	\$17,000	\$19,000
Simi Valley	\$7,500	\$8,000	\$8,500

Minor Pumping Plant Equipment

District 2010		2011	2012
Arden Cordova	\$0	\$0	\$0
Bay Point	\$0	\$0	\$0
Clearlake \$2,300		\$2,400	\$2,5000
Los Osos	\$800	\$900	\$1,000
Ojai \$0		\$0	\$0
Santa Maria	\$12,000	\$15,000	\$17,000
Simi Valley	\$0	\$0	\$0

Arden Cordova Replacement Vehicle Superintendent – GSWC requested \$31,900 in 2010 to purchase a replacement vehicle for the Arden Cordova Superintendent. DRA agreed with GSWC's request

Arden Cordova 5 year Update to Coloma Chlorine Facilities – GSWC requested \$8,000 in 2012 to update the Coloma chlorine facilities PHA. DRA agreed with GSWC's request.

Arden Cordova Install Inverts along Folsom Blvd – GSWC requested \$100,000 in 2010 to install the inverts along Folsom Blvd. DRA agreed with GSWC's request.

Bay Point Office Blanket Item Furniture & Equipment Computers – GSWC requested \$2,675 in 2010 to purchase two new computer systems. DRA agreed with GSWC's request.

Bay Point Office Blanket Item Furniture & Equipment – GSWC requested \$1,100 in 2011 and \$1,100 in 2012 to purchase miscellaneous office furniture and equipment for Bay Point. DRA agreed with GSWC's request.

Clearlake Office Blanket Item Furniture & Equipment – GSWC requested \$2,900 in 2011 and \$3,000 in 2012 to purchase miscellaneous office

furniture and equipment for Clearlake. DRA agreed with GSWC's request.

Clearlake Replacement Vehicle Service Truck – GSWC requested \$37,000 in 2011 to purchase a replacement service truck for vehicle number 1025. DRA agreed with GSWC's request.

Clearlake 5 year Update to Clearlake Sanitary Survey – GSWC requested \$20,000 in 2012 to update the Clearlake sanitary survey. DRA agreed with GSWC's request.

Los Osos Desktop PC & Refrigerator – GSWC requested \$3,000 in 2010 to purchase one desktop pc for country Club Plant a refrigerator for the CSA office. DRA agreed with GSWC's request.

Los Osos Replacement Vehicle Service Truck – GSWC requested \$46,130 in 2010 to purchase a replacement service truck for vehicle number 987. DRA agreed with GSWC's request.

Los Osos Replacement Vehicle Superintendent – GSWC requested \$26,632 in 2011 to purchase a replacement vehicle for the Los Osos Superintendent. DRA agreed with GSWC's request.

Los Osos Portable Valve Machine – GSWC requested \$9,000 in 2010 to purchase a portable valve machine for the Los Osos CSA. DRA agreed with GSWC's request.

Ojai Replacement Vehicle Service Truck – GSWC requested \$52,055 in 2012 to purchase a replacement service truck for vehicle number 1000. DRA agreed with GSWC's request.

Ojai Backhoe – GSWC requested \$85,000 in 2010 to purchase a backhoe for the Ojai CSA. DRA agreed with GSWC's request.

Santa Maria Replacement Vehicle Service Truck – GSWC requested \$46,130 in 2010 to purchase a replacement service truck for vehicle number 998. DRA agreed with GSWC's request.

Santa Maria Replacement Vehicle Service Truck – GSWC requested \$46,130 in 2010 to purchase a replacement service truck for vehicle number 862. DRA agreed with GSWC's request.

Santa Maria Replacement Vehicle Service Truck – GSWC requested \$49,003 in 2011 to purchase a replacement service truck for vehicle number 1209. DRA agreed with GSWC's request.

Santa Maria Replacement Vehicle Service Truck – GSWC requested \$52,055 in 2012 to purchase a replacement service truck for vehicle number 1115. DRA agreed with GSWC's request.

Santa Maria Replacement Vehicle Superintendent – GSWC requested \$25,162 in 2010 to purchase a replacement vehicle for the Santa Maria Superintendent. DRA agreed with GSWC's request.

Santa Maria Portable Valve Machine – GSWC requested \$9,000 in 2010 to purchase a portable valve machine for the Santa Maria CSA. DRA agreed with GSWC's request.

Simi Valley Replacement Vehicle Service Truck – GSWC requested \$46,130 in 2010 to purchase a replacement service truck for vehicle number 751. DRA agreed with GSWC's request.

Simi Valley Replacement Vehicle Service Truck – GSWC requested \$46,130 in 2010 to purchase a replacement service truck for vehicle number 1098. DRA agreed with GSWC's request.

Simi Valley Replacement Vehicle Service Truck – GSWC requested \$52,055 in 2012 to purchase a replacement service truck for vehicle number 67549. DRA agreed with GSWC's request.

Simi Valley Replacement Vehicle Superintendent – GSWC requested \$28,188 in 2012 to purchase a replacement vehicle for the Simi Valley Superintendent. DRA agreed with GSWC's request.

Due to the forward looking nature of the ratemaking process for water utility GRCs actual expenditures for capital additions can and do change between the time rates are set and the time events occur. The above listed agreed upon capital additional amounts are estimates and actual costs incurred in 2010, 2011 & 2012 may differ due operational needs and changes that arise. GSWC will conduct prudent management review of changes from those cost estimates agreed to above.

Advice Letter Treatment

2.05 Advice Letter Projects – DRA and GSWC 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 set forth herein 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.

Arden Cordova Coloma Treatment Plant Grounding Survey – GSWC requested approval of \$98,800 in 2012 to hire a consultant to determine the extent of the grounding problems at the Coloma Treatment Plant. DRA recommended \$0. After discussions between GSWC and DRA it was agreed that GSWC would hire a consultant to perform the work at the plant then GSWC may file an Advice Letter to include in ratebase the cost of the project not to exceed \$98,800.

Arden-Cordova Meter Retrofit Program – GSWC requested to install a total of 1,000 meters for flat rate customers in 2011 and 2012 at a cost of \$700,000 in 2011 and \$1,000,000 in 2012 to comply with Assembly Bill 2572 which requires all customers to be metered by January 1, 2025. DRA recommended \$121,100 for 2011 and \$121,100 for 2012. After discussions between GSWC and DRA it was agreed that GSWC would file an annual Advice Letter after books have been closed at the end of 2011 and 2012 to include the actual costs in ratebase. Both parties agreed to 445 meter installations a year at a cost of \$1,225 per installation plus overhead. The maximum amount to include in rate base for both years is not to exceed \$1,451,777 (445 x \$1,225 x 2 years plus 33.16% overhead).

Other Ratebase Items

2.06 Depreciation Accrual Rates
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 as follows:

Operating Area	Composite Depreciation Rate
Northern District Office	1.76%
Coastal District Office	13.75%

Operating Area	Composite Depreciation Rate
Arden Cordova	3.22%
Bay Point	3.06%
Clearlake 3.69%	
Los Osos	3.58%
Ojai 3.95%	
Santa Maria	3.96%
Simi Valley	3.27%

2.07 Working Cash Lag days

DRA accepted GSWC's methodology for calculating Working Cash. The Working Cash calculation is based on the stipulated expense applied to the stipulated average number of lag days. The excess of the Collection Lag Days over the Payment Lag Days is multiplied by the Daily Total of Expenses, Taxes and Depreciation. The Working Cash calculation will be adjusted to include the final adopted level of expenses in this case.

3.00 **Sales and Customers**

3.01 Customers (Connections)

Other than Bay Point and Simi Valley, GSWC and DRA used the methodology prescribed in the new Rate Case Plan (RCP) to forecast customer growth within each Customer Class. The methodology used by both GSWC and DRA to forecast customer growth was the five year average increase by customer class. Since there is customer reduction in Bay Point and Simi Valley, GSWC used the latest recorded as an estimate for 2011 and 2012 customer count, while DRA increased customer numbers in several customer classes based on the more recent three-year average for customer growth..

In Arden Cordova, DRA recommended a conversion of 436 flat services to metered service annually in order to comply with the requirement of Assembly Bill AB2572, passed in 2004, to convert all the flat services to metered services by January 1, 2025. The parties agreed to convert 445 flat services starting in 2012.

After several discussions, the parties settled on customer count as set in the tables below.

Arden Cordova

<u>Customer Class 2011</u>	<u>2012</u>
Residential 6,895	8,881
Commercial 1,052	1,053
Industrial 4	4
Public Authority 26	26
Irrigation 497	540
Resale 0	0
Reclaimed Water 0	0
Other 5	6
<u>Flat Rate</u>	
Residential/Commercial 7,507	5,662
Private Fire 589	605
<hr/>	
Total	16,777

Bay Point

<u>Customer Class 2011</u>	<u>2012</u>
Residential 4,509	4,509
Commercial 189	189
Industrial 7	7
Public Auth. 16	16
Irrigation 46	46
Resale 0	0
Contract 0	0
Other 0	0
Private Fire 32	32
<hr/>	
Total	4,798

Clearlake

<u>Customer Class 2011</u>	<u>2012</u>
Residential 2,091	2,097
Commercial 74	76
Industrial 0	0
Public Auth. 2	2
Irrigation 0	0
Resale 0	0

Contract 0		0
Other	0	0
Private Fire	4	4

Total	2,171	2,179
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Los Osos

<u>Customer Class 2011</u>	_____	<u>2012</u>
Residential 3,055		3,058
Commercial 171		167
Industrial 1		1
Public Auth.	8	8
Irrigation 30		35
Resale 0		0
Contract 0		0
Other	1	1
Private Fire	21	22

Total	3,287	3,292
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Ojai

<u>Customer Class 2011</u>	_____	<u>2012</u>
Residential 2,500		2,507
Commercial 323		326
Industrial 4		4
Public Auth.	20	20
Irrigation 18		20
Resale 0		0
Contract 15		15
Other	0	0
Private Fire	35	36

Total	2,915	2,928
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Santa Maria

<u>Customer Class 2011</u>	_____	<u>2012</u>
Residential 12,730		12,799

Commercial	553	556
Industrial	4	4
Public Auth.	15	15
Irrigation	52	58
Resale	0	0
Contract	0	0
Other	1	1
Private Fire	58	61
<hr/>		
Total	13,413	13,494

Simi Valley

<u>Customer Class</u> 2011		<u>2012</u>
Residential	12,514	12,514
Commercial	447	447
Industrial	31	31
Public Auth.	115	115
Irrigation	29	29
Resale	0	0
Contract	0	0
Other	3	3
Private Fire	157	157
<hr/>		
Total	13,296	13,296

3.02

Sales per Customer

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

In this proceeding both parties forecasted Residential sales using the “New Committee Method” as prescribed in the rate case plan. The use of the New Committee Method has resulted in forecasts that exceeded the 2009 and 2010 year-to-date actual sales in all Customer Service Areas, except Arden Cordova.

Sales have been dropping and continue to drop due primarily to conservation efforts. These efforts include the implementation of Golden State Water Company’s voluntary conservation efforts in 2008 as a result of the Governor’s Executive Order declaring a drought in the State of California on June 4, 2008, the announcement of the Governor’s 20x2020 Water Conservation Plan in March 2008 and the implementation of the water conservation objectives in the Commission’s Water Action Plan.

In September 2009, Golden State Water Company implemented tiered rates in its Region 12. At the same time the Commission authorized Golden State Water Company to establish a Water Revenue Adjustment Mechanism (WRAM) to capture lost revenues due to conservation thereby decoupling sales from revenues and removing the disincentive for the Company to encourage and promote conservation.

The New Committee Method does not capture the change in sales due to conservation. As a result customers are seeing increases in rates due to the drop in sales below previously adopted and surcharges to make up for lost revenues. As noted during the Public Participation hearings in this proceeding, customers see this as being punished for conserving or a disincentive to conserve. This is not the message the parties are trying to send.

These shortfalls are the result of understated sales forecast that do not properly recognize the effect of conservation. The parties therefore agree to forecast Residential and Commercial sales for all CSAs, except Clearlake which does not have a WRAM, in 2011 and 2012 based on the 2009 actual sales. Any shortfall or over collection will be tracked in the WRAM. The parties agreed to use the New Committee Method forecast sales in Clearlake and to adjust the forecasted Commercial Sales after considering the effect of conservation.

Arden Cordova

<u>Customer Class</u> GSWC		<u>DRA Stipulated</u>	
Residential 188.0		245.6	208.0
Commercial 2,234.6		2,234.6	1,926.0
Industrial 526.2		526.2	526.2
Public Authority	7,110.6	7,110.6	7,110.6
Irrigation 1,417.8		1,417.8	1,417.8
Resale 341.3		341.3	341.3
Contract 0.0		0.0	0.0
Other	335.2	335.2	335.2

Flat Rate

Residential/Commercial 422.6		422.6	422.6
Public Authority	0	0	0
Private Fire	0	28.6	28.6

² Golden State Water Company's Ojai Customer Service Area has been on Tiered Rates since 1990.

Bay Point

<u>Customer Class</u> GSWC		<u>DRA</u>	<u>Stipulated</u>
Residential	127.0	127.0	110.0
Commercial	1,058.8	1,058.8	973.0
Industrial	24,967.4	24,967.4	24,967.4
Public Authority	1,785.8	1,785.8	1,785.8
Irrigation	1,144.4	1,144.4	1,144.4
Resale	0.0	0.0	0.0
Contract	0.0	0.0	0.0
Other	0.0	0.0	0.0

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	199.00	51.8	51.8

Clearlake

<u>Customer Class</u> GSWC		<u>DRA</u>	<u>Stipulated</u>
Residential	73.1	73.7	73.4
Commercial	272	282	220.2
Industrial	0	0	0
Public Authority	1.8	1.8	1.8
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

Los Osos

<u>Customer Class</u> GSWC		<u>DRA</u>	<u>Stipulated</u>
Residential	139.98	139.98	134
Commercial	489	489	435
Industrial	428	428	428
Public Authority	2,299	2,299	2,299

Irrigation	255	255	255
Resale	0	0	0
Contract	0	0	0
Other	683	683	683

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	0

Ojai

<u>Customer Class</u> GSWC		<u>DRA Stipulated</u>	
Residential	257.1	257.1	249.0
Commercial	573.8	573.8	517.0
Industrial	178.2	178.2	178.2
Public Authority	1,331.0	1,331.0	1,331.0
Irrigation	5,073.8	5,073.8	5,073.8
Resale	0.0	0.0	0.0
Contract	825.0	825.0	825.0
Other	191.2	191.2	191.2

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	102.6

Santa Maria

<u>Customer Class</u> GSWC		<u>DRA Stipulated</u>	
Residential	261.7	261.7	263.0
Commercial	1,022.3	1,022.3	952.0
Industrial	62.8	62.8	62.8
Public Authority	6,524.0	6,524.0	6,524.0
Irrigation	1,967.0	1,967.0	1,967.0
Resale	0.0	0.0	0.0
Contract	0.0	0.0	0.0
Other	54.0	54.0	54.0

Flat Rate

Commercial	0	0	0
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Public Authority	0	0	0
Private Fire	0	0	14.0

Simi Valley

<u>Customer Class</u> GSWC	<u>DRA Stipulated</u>		
Residential 203.8		203.8	184
Commercial 1,207.2		1,242.7	1,070
Industrial	521.2	521.2	521.2
Public Authority	2,182.6	2,182.6	2,182.6
Irrigation	1,478.0	1,478.0	1,478.0
Resale 0		0	0
Contract 0.0		0.0	0.0
Other	102.6	102.6	102.6

Flat Rate

Commercial 0		0	0
Public Authority	0	0	0
Private Fire	0	437.6	437.6

3.03

Water Loss for Water

Water loss is the amount of water lost through operations plus unaccounted-for water. The parties have no differences in the percentage water loss due to operation. For the unaccounted-for water in all CSA's except Clearlake and Simi Valley, GSWC and DRA agree to use a five-year average of historical unaccounted-for water to forecast test year levels. In Clearlake and Simi Valley, the parties agree to use the latest recorded of unaccounted-for water. Table below is the settlement for total water loss due to both operation and unaccounted-for water.

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	2.93%	2.93%	2.93%
Bay Point	11.26%	11.26%	11.26%
Clearlake	37.53%	32.75%	34.28%
Los Osos	9.98%	9.98%	9.98%
Ojai 13.53%		13.53%	13.53%
Santa Maria	9.91%	9.91%	9.91%
Simi Valley	5.90%	4.05%	4.17%

4.01

Labor

Region I Labor - GSWC and DRA have resolved most of the differences regarding new positions and labor expenses in GSWC's Region I. GSWC's Region I forecast for total labor was based on its 2009 organizational structure of 72 positions and actual annual salaries. Within the 2009 organizational structure, GSWC requested in Arden Cordova to include in rates one (1) position that has been filled since 2004. GSWC also requested two (2) new Water Distribution Operator positions for monthly meter readings, one in Ojai and another one in Los Osos, to be included in rates starting in 2011. In forecasting the labor expenses, 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 to derive the forecast for the Test Year. DRA agreed to include two new positions: an electrician in the Arden Cordova CSA and a Water Distribution Operator in Los Osos CSA. The Parties stipulated to exclude the requested Water Distribution Operator position in Ojai CSA.

The only remaining issue between the Parties is the inclusion of an equity adjustment of 1%, which was litigated in A.08-07-010, for which a decision is still pending. The Parties agree that the resolution of the 1% adjustment in A.08-07-010 should also be applied to labor expenses in this proceeding. GSWC's position reflected in the table below includes the 1% adjustment. DRA's position in the table below excludes the 1% adjustment.

Northern District	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Office			
Operations Labor	\$ 39,500	\$ 38,800	1/
Maintenance Labor	400	400	1/
A&G Labor	<u>248,300</u>	<u>243,500</u>	1/
Total Labor	\$ 288,200	\$ 282,700	1/
Expense			

Coastal District	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Office			
Operations Labor	\$ 1,200	\$ 1,200	1/
Maintenance Labor	0	0	1/
A&G Labor	<u>295,400</u>	<u>289,700</u>	1/
Total Labor	\$ 296,600	\$ 290,900	1/
Expense			

Arden Cordova	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
CSA			
Operations Labor	\$ 685,400	\$ 672,200	1/
Maintenance Labor	147,100	144,300	1/
A&G Labor	<u>82,400</u>	<u>80,800</u>	1/
Total Labor	\$ 914,900	\$ 897,600	
Expense			

Bay Point CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 269,500	\$ 264,300	1/
Maintenance Labor	57,900	56,800	1/
A&G Labor	<u>40,500</u>	<u>39,700</u>	1/
Total Labor	\$ 367,900	\$ 360,800	
Expense			

Clearlake CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 294,400	\$ 288,800	1/
Maintenance Labor	46,300	45,400	1/
A&G Labor	<u>20,600</u>	<u>20,200</u>	1/
Total Labor	\$ 361,300	\$ 354,400	
Expense			

Los Osos CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 299,800	\$ 294,000	1/
Maintenance Labor	48,600	47,700	1/

A&G Labor	<u>42,100</u>	<u>41,300</u>	1/
Total Labor Expense	\$ 390,500	\$ 383,000	1/

	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>	<u>Stipulation</u>
Ojai CSA			<u>GSWC</u>	<u>DRA</u>
Operations Labor	\$ 303,000	\$ 239,300	\$ 273,500 1/	\$268,200 1/
Maintenance Labor	150,600	118,900	135,893 1/	133,300 1/
A&G Labor	<u>42,100</u>	<u>33,300</u>	<u>38,042 1/</u>	<u>37,300 1/</u>
Total Labor Expense	\$ 495,700	\$ 391,500	\$ 447,444	\$438,800

	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Santa Maria CSA			
Operations Labor	\$ 589,100	\$ 577,700	1/
Maintenance Labor	160,700	157,600	1/
A&G Labor	<u>87,600</u>	<u>85,900</u>	1/
Total Labor Expense	\$ 837,400	\$ 821,200	

	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Simi Valley CSA			
Operations Labor	\$ 324,900	\$ 318,700	1/
Maintenance Labor	61,500	60,400	1/
A&G Labor	<u>68,800</u>	<u>67,500</u>	1/
Total Labor Expense	\$ 455,200	\$ 446,600	1/

1/ will be determined based on the outcome of A.08-07-010 regarding the 1% equity adjustment.

5.00 Administrative and General Expenses

5.01 Office Supplies - To forecast Office Supplies GSWC used various inflation adjusted methodologies: in Los Osos, Ojai and Simi Valley the five year average plus additional funds to convert to monthly billing; the five year average was used in Bay Point, Northern and Coastal District Offices; the latest recorded data was used in Clearlake and Santa Maria; the four year average plus additional funds to convert to monthly billing was used in Arden Cordova. DRA accepts GSWC estimates with the recommendation that additional funds included for monthly billing be for this GRC only since these expenses will be included in the next General Office GRC.

The Parties agree to the following estimates for Office Supplies in 2011:

2011

Office Supplies

<u>CSA GSWC</u>		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 115,600	\$ 115,600	\$ 115,600
Bay Point	50,800	50,800	50,800
Clearlake 63,000		63,000	63,000
Los Osos	59,000	59,000	59,000
Ojai 61,000		61,000	61,000
Santa Maria	113,400	113,400	113,400
Simi Valley	85,500	85,500	85,500
Northern Dist.	24,500	24,500	24,500
Coastal Dist.	33,000	33,000	33,000

5.02

Injuries and Damages - To forecast Injuries and Damage expenses, DRA and GSWC used the stipulated methodology agreed upon in A.08-07-010.

The Parties agree to the following estimates for Injuries and Damages in 2011:

2011

Injuries and Damages

<u>CSA GSWC</u>		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 58,300	\$ 58,300	\$58,300
Bay Point	29,400	29,400	29,400
Clearlake 22,400		22,400	22,400
Los Osos	24,900	24,900	24,900
Ojai 32,200		32,200	32,200
Santa Maria	52,500	52,500	52,500
Simi Valley	29,200	29,200	29,200
Northern Dist.	12,700	12,700	12,700
Coastal Dist.	11,500	11,500	11,500

5.03 Pension and Benefits - To forecast Pension and Benefits expenses, DRA and GSWC used the stipulated methodology agreed upon in A. 08-07-010.

The Parties agree to the following estimates for Pension and Benefits in 2011:

2011

<u>Pension and Benefits</u>			
<u>CSA GSWC</u>		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 352,400	\$ 352,400	\$ 352,400
Bay Point	161,000	161,000	161,000
Clearlake	151,200	151,200	151,200
Los Osos	141,700	141,700	141,700
Ojai	158,500	158,500	158,500
Santa Maria	363,600	363,600	363,600
Simi Valley	174,500	174,500	174,500
Northern Dist.	160,700	160,700	160,700
Coastal Dist.	150,800	150,800	150,800

5.04 Business Meals - To forecast Business Meals expense, GSWC used an inflation adjusted five or three year average of recorded data.

The Parties agree to the following estimates for Business Meals in 2011:

2011

<u>Business Meals</u>			
<u>CSA GSWC</u>		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 600	\$ 600	\$ 600
Bay Point	1,000	1,000	1,000
Clearlake	1,000	1,000	1,000
Los Osos	700	700	700
Ojai	2,700	2,700	2,700
Santa Maria	1,800	1,800	1,800
Simi Valley	1,500	1,500	1,500
Northern Dist.	1,400	1,400	1,400
Coastal Dist.	2,400	2,400	2,400

5.05 Regulatory Commission Expense – GSWC based its estimate for Region I Regulatory Commission Expense on an estimate from our legal counsel and other comparable costs from other proceedings, while DRA’s estimate is a combination of Region I recorded data and components of GSWC’s estimates. The Parties differences were for legal costs, other consulting fees and printing costs. After discussions between the Parties it was agreed to reduce the anticipated legal costs, exclude the other consulting fees and retain GSWC’s forecasted printing costs. As shown in the table below:

<u>Expense</u> GSWC		<u>DRA</u>	<u>Stipulated</u>
Legal Fees	\$700,000	\$203,200	\$451,600
Other	\$56,700	\$0	\$0
Consulting Fees			
Mailing Costs	\$73,500	\$73,500	\$73,500
Publishing Costs	\$3,000	\$3,000	\$3,000
Printing/Supplies	\$50,000	\$30,600	\$50,000
Total	\$883,200	\$310,300	\$578,100

The agreements result in the following Regulatory Commission Expenses in the test year for the Region 1 CSAs:

2011

<u>Regulatory Commission Expense</u>		<u>DRA</u>	<u>Stipulated</u>
<u>CSA</u> GSWC			
Arden Cordova	\$ 160,200	\$ 56,300	\$ 104,900
Bay Point	33,800	11,900	22,100
Clearlake 12,000		4,200	7,800
Los Osos	22,100	7,800	14,500
Ojai 28,000		9,800	18,300
Santa Maria	89,500	31,400	58,600
Simi Valley	96,000	33,700	62,800

5.06 Outside Services - To forecast Outside Services expenses GSWC used various inflation adjusted methodologies: four year averages were used in Bay Point and Ojai, three year averages where used in Arden Cordova and the Coastal District Office; the latest recorded data in Clearlake and

Simi Valley; a five year average plus \$2,500 for legal fees in the Northern District Office; Los Osos and Santa Maria were zero based they included amounts for non-specific items with additional funds for the Los Osos groundwater Interlocutory Stipulated Judgment (ISJ) legal costs and the Los Osos ISJ study costs and the Santa Maria Steelhead Recovery Plan.

DRA accepted GSWC's estimates in Arden Cordova, Bay Point, Clearlake, Ojai, Simi Valley, and Northern District.

After discussions the parties agree to the following estimated for Outside Services in 2011:

2011

Outside Services

<u>CSA GSWC</u>		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 194,100	\$ 194,100	\$ 194,100
Bay Point	28,300	28,300	28,300
Clearlake 5,600		5,600	5,600
Los Osos	344,500	113,100	113,100
Ojai 63,900		63,900	63,900
Santa Maria	59,900	8,300	8,300
Simi Valley	5,400	5,400	5,400
Northern Dist.	7,600	7,600	7,600
Coastal Dist.	29,000	21,800	25,800

GSWC requested \$100,000 for studies related to the Los Osos Interlocutory Stipulated Judgment process. DRA's recommendation is to continue recording these expenses in the Los Osos Interlocutory Stipulated Judgment Memorandum Account established in 2008 and recovering it through an advice letter process. The memorandum account and the advice letter process was described in Advice Letter 1294-WA. GSWC does not oppose DRA's recommendation to extend the memorandum account treatment to record the costs related to Los Osos Interlocutory Stipulated Judgment studies.

GSWC requested \$200,000 for legal expenses related to the Los Osos Groundwater Interlocutory Stipulated Judgment process in order to draft, negotiate, implement and defend the establishment of a Basin Management Plan. DRA and GSWC agree to establish a memorandum account to record legal expenses related to the Los Osos Groundwater Adjudication and the establishment of a Basin Management Plan capped at a combination total of \$400,000 for 2011 and 2012 (\$200,000 for 2011

and \$200,000 for 2012). The memorandum account is described in the Memorandum Account Description I below.

GSWC requested \$50,000 for legal expenses related to the Santa Maria Steelhead Recovery Plan. DRA and GSWC agree to establish a memorandum account to record legal expenses related to Santa Maria Steelhead Recovery Plan capped at a combined total of \$100,000 for 2011 and 2012 or \$50,000 for 2011 and \$50,000 for 2012. The memorandum account is described in the Memorandum Account Description II below.

Memorandum Account Description I – Due to the uncertainty in the expense level and the time frame for these expenses, GSWC and DRA agree that rather than including these costs in GSWC's revenue requirement at this time these expenses identified below shall be captured in an interest bearing memorandum account and GSWC may request amortization of the memorandum account in its next GRC or other formal proceeding.

- 1) Outside services including consultants and legal associated with legal expenses related to the Los Osos Groundwater Interlocutory Stipulated Judgment process in order to draft, negotiate, implement and defend the establishment of a Basin Management Plan –
 - a) Prepare for and attend meetings and hearings including committee meetings necessary to draft and/or negotiate a Basin Management Plan (e.g., finance committee, water resources, administrative, inter-agency and other committees)
 - b) Review and respond to board and committee memoranda
 - c) Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry
 - d) Provide public testimony as needed
 - e) Legal and policy research to defend and support positions to protect ratepayers
 - f) Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers; attend meetings and hearings, including committee meetings, as needed.

- g) Legal research and other actions including employment of experts to defend against any legislation that has a negative impact on rates, water supply reliability or water rights affecting ratepayers
 - h) Review and preparation of legal documents
 - i) Review and preparation of technical documents
 - j) Meetings with technical staff and experts
 - k) Review and respond to various settlement approaches
 - l) Legal research to support and defend positions
 - m) Policy research to support and defend positions
 - n) Legal research re: potential litigation to protect ratepayers' long term storage costs
 - o) Identify, analyze, defend and propose statutory changes to protect long term storage benefits to ratepayers
 - p) Draft pleadings and other court documents re: same
 - q) Prepare for and attend meetings with potential litigants
 - r) Conduct discovery and file motions
 - s) Employ expert witnesses as necessary
- (2) **Memorandum Account Description II** - Due to the uncertainty the expense level and the time frame for these expenses, GSWC and DRA agree that rather than including these costs in GSWC's revenue requirement at this time these expenses identified below shall be captured in an interest bearing memorandum account and GSWC may request amortization of the memorandum account in its next GRC or other formal proceeding.
- 1) Outside services including consultants and legal associated with legal expenses relating to the Santa Maria Steelhead Recovery Plan –
 - a) Prepare for and attend meetings and hearings including committee meetings (e.g., finance committee, water resources, administrative, inter-agency and other committees)
 - b) Review and respond to board and committee memoranda

- c) Meetings with stakeholders re: same including area cities and water rights holders, local elected officials, water board members, utilities and industry
- d) Provide public testimony as needed
- e) Legal and policy research to defend and support positions to protect ratepayers
- f) Identify, analyze, and propose statutory changes to defend and support positions to protect ratepayers; attend meetings and hearings, including committee meetings, as needed.
- g) Legal research and other actions including employment of experts to defend against any legislation that has a negative impact on rates, water supply reliability or water rights affecting ratepayers
- h) Review and preparation of legal documents
- i) Review and preparation of technical documents
- j) Meetings with technical staff and experts
- k) Review and respond to various settlement approaches
- l) Legal research to support and defend positions
- m) Policy research to support and defend positions
- n) Legal research re: potential litigation to protect ratepayers' long term storage costs
- o) Identify, analyze, defend and propose statutory changes to protect long term storage benefits to ratepayers
- p) Draft pleadings and other court documents re: same
- q) Prepare for and attend meetings with potential litigants
- r) Conduct discovery and file motions
- s) Employ expert witnesses as necessary

5.07 Miscellaneous - To forecast Miscellaneous expenses GSWC used various inflation adjusted methodologies: the five year average was used in Bay Point, Clearlake, Ojai, Santa Maria, and the Northern and Coastal District offices; Arden Cordova was based on the latest recorded plus additional

funds for Regional Water Authority ("RWA") dues for conservation programs, Los Osos and Simi Valley used a two and three year average respectively.

DRA accepts GSWC estimates in the CSA's and Offices except in Arden Cordova. DRA recommended the RWA dues associated with conservation expenses should be disallowed in miscellaneous and grouped with other conservation expenses. GSWC agrees to group these charges with conservation expenses.

The Parties agree to the following estimates for Miscellaneous in 2011:

2011

<u>Miscellaneous</u>	<u>CSA</u> GSWC	DRA	<u>Stipulated</u>
Arden Cordova	\$ 81,300	\$ 43,800	\$ 43,800
Bay Point	1,500	1,500	1,500
Clearlake 800		800	800
Los Osos	500	500	500
Ojai 5,100		5,100	5,100
Santa Maria	1,000	1,000	1,000
Simi Valley	7,200	7,200	7,200
Northern Dist.	1,400	1,400	1,400
Coastal Dist.	1,300	1,300	1,300

5.08 Rent _____ - To forecast Rent expense, DRA and GSWC used data from leases. GSWC also included \$80,000 in Arden Cordova for new office space and additional funds in Ojai for CSA office relocation. In Arden Cordova we previously had a CSA office, employees were temporarily relocated to other offices because plans to construct a new CSA/warehouse were developed and submitted in our 2007 GRC. These plans were subsequently withdrawn. In this GRC we requested funds for the lease of office space for the CSA office. In Ojai we requested additional funds for an increase in rent due to planned office relocation due to aging facilities, safety issues and lack of responsiveness from property management.

DRA disallowed the proposed move to the new space in Arden Cordova and the Ojai CSA relocation.

Upon further discussions in Arden Cordova DRA allowed an increase in

rent to allow GSWC funds to temporarily improve workspace while working on a more comprehensive proposal for a permanent solution in the next GRC. In Ojai instead of an increase in rent expense the parties agree to additional funds to improve conditions in the CSA office

The Parties agree to the following estimates for Rent in 2011:

2011

<u>Rent</u>	<u>CSA GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 80,000	\$ 0	\$ 40,000
Bay Point	31,700	31,700	31,700
Clearlake 12,800		12,800	12,800
Los Osos	2,400	2,400	2,400
Ojai 67,400		36,900	36,900
Santa Maria	94,500	94,500	94,500
Simi Valley	46,400	46,400	46,400

5.09

Other Maintenance of General Plant - 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 CSA's and Offices with the exception of Los Osos and Ojai where four year averages were used. DRA accepted GSWC estimates.

The Parties agree to the following estimates for Other Maintenance of General Plant in 2011:

2011

<u>Other Maintenance of General Plant</u>	<u>CSA GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 13,000	\$ 13,000	\$ 13,000
Bay Point	2,900	2,900	2,900
Clearlake 1,000		1,000	1,000
Los Osos	4,800	4,800	4,800
Ojai 6,900		6,900	16,900/1
Santa Maria	11,400	11,400	11,400
Simi Valley	7,300	7,300	7,300
Northern Dist.	700	700	700

Coastal Dist. 400 400 400
 1/ Amount includes \$10,000 for renovating the office and pest control.

6.00 Operations and Maintenance

6.01 Other Operating Expenses – To forecast Other Operating Expenses, GSWC used various inflation adjusted methodologies: the five year average plus additional funds for conservation was used in Bay Point, Santa Maria, and Simi Valley; the four year average plus additional funds for conservation was used in Clearlake; a three year average plus additional funds for conservation was used in Arden Cordova; a two year average plus additional funds for conservation was used in Ojai; a five year average was used in the Coastal District Office and a two year average was in the Northern District Office; Los Osos was based on the latest recorded data plus additional funds for conservation. The latest recorded amounts in Los Osos included an increase in hazardous waste fees.

Conservation expenses are part of operating expenses but, DRA splits other operation expenses and conservation expenses into two separate items; therefore, conservation is presented separately below. DRA’s recommendations were based on the 5 year average less conservation, courtesy adjustments, and customer growth in Arden Cordova, Bay Point, Los Osos, Santa Maria, and Simi Valley. In Clearlake DRA used a four year average less the items previously mentioned. In Ojai a two year average less conservation was used. DRA accepted GSWC’s estimate in Ojai excluding conservation, and in the Coastal and Northern District Office.

After discussions, the Parties agree to the following estimates for Other Operating Expenses in 2011:

2011			
<u>Other Operating Expenses (excluding conservation)</u>			
<u>CSA</u> GSWC		<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 218,521	\$ 159,793	\$159,793

Bay Point	96,928	94,659	94,659
Clearlake 84,844		79,954	79,954
Los Osos	181,584	103,079	164,000
Ojai 91,489		91,475	91,475
Santa Maria	335,895	268,100	268,100
Simi Valley	80,526	70,538	72,588
Northern Dist.	500	500	500
Coastal Dist.	2,100	2,100	2,100

2011

Conservation - (Other Operating Expenses)

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 153,047	\$ 108,152	\$130,600
Bay Point	18,936	12,550	17,724
Clearlake 4,750		4,750	4,750
Los Osos	12,181	7,584	11,499
Ojai 13,081		8,706	13,080
Santa Maria	74,959	49,297	72,165
Simi Valley	81,978	49,502	73,741

6.02 Uncollectible Rates – DRA and GSWC used the same uncollectible rates to forecast uncollectible expense except in Arden Cordova and Santa Maria.

After discussions, the Parties agree to the following uncollectible rates in 2011:

<u>Uncollectible</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
<u>Rate</u>			
<u>CSA</u>			
Arden Cordova	0.269%	0.134%	0.202%
Bay Point	0.516%	0.516%	0.516%
Clearlake 0.563%		0.563%	0.563%
Los Osos	0.100%	0.100%	0.100%
Ojai 0.158%		0.158%	0.158%
Santa Maria	0.124%	0.097%	0.110%
Simi Valley	0.230%	0.230%	0.230%

6.03 Other Maintenance Expenses – To forecast Other Maintenance Expenses, GSWC used various inflation adjusted methodologies: the five

year average was used in Arden Cordova and Bay Point; the five year average plus additional funds for two well treatments in Los Osos and three well treatments Santa Maria; the four year average was used in Clearlake; a three year average was used in Ojai; Simi Valley was based on the latest recorded data.

DRA accepted GSWC estimates in Bay Point, Clearlake and Simi Valley. In Arden Cordova, Los Osos, Ojai and Santa Maria DRA's recommendations were based on the five year average. In Ojai, DRA, as part of recommendations made for special issues, reduced other maintenance expenses – outside services by \$80,000.

GSWC requested funds for two well treatments per year in Los Osos, after discussions the Parties agree on one well treatment per year in Los Osos. In the larger Santa Maria system GSWC requested three well treatments per year, the Parties agree on funding for two well treatments per year. In Ojai Parties reviewed Outside Service expenses and they agree that the \$80,000 reduction in Outside Services should be reinstated because GSWC agrees to remove its request for an additional Water Distribution Operator.

After discussions, the Parties agree to the following estimates for Other Maintenance Expenses in 2011:

2011

Other Maintenance Expenses

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 257,553	\$ 250,453	\$ 254,000
Bay Point	95,248	95,248	97,748 ^{1/}
Clearlake	61,504	61,504	61,504
Los Osos	274,702	99,431	184,817
Ojai	266,058	214,718	294,718
Santa Maria	533,514	258,311	434,646
Simi Valley	56,503	56,503	56,503

^{1/} Amount includes \$2,500 for tank maintenance.

6.04 Chemical Expenses – To forecast Chemicals, GSWC used various inflation adjusted methodologies to calculate a unit cost per acre foot of water. In Arden Cordova a four year average was used, Bay Point, Los Osos, and Santa Maria were based on the latest recorded data; Clearlake used a three year average; a five year average was used in Ojai and Simi

Valley.

DRA accepted GSWC estimates in Arden Cordova, Bay Point, and Simi Valley. In Clearlake, Los Osos, Ojai, and Santa Maria a five year average was used.

In Los Osos chemical usage has increased due to the treatment process to treat for Selenium at the treatment plant in order to remain in compliance with water quality standards. In addition to the increase in chemical usage, expenses also include the cost for the disposal of the hazardous waste and the transportation of brine waste from the plant site to the vendor for disposal.

After discussions between the Parties GSWC and DRA agree to the following level of Chemical Expenses:

2011

<u>Chemicals</u>		<u>DRA</u>	<u>Stipulated</u>
<u>CSA</u> GSWC			
Arden Cordova	\$129,294	\$129,294	\$129,294
Bay Point	\$2,634	\$2,634	\$2,634
Clearlake \$28,538		\$26,269	\$26,270
Los Osos	\$292,742	\$140,845	\$292,742
Ojai \$42,029		\$40,093	\$40,093
Santa Maria	\$59,482	\$47,911	\$53,688
Simi Valley	\$2,862	\$2,862	\$2,862

7.00 Taxes

7.01 Property Taxes – 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.

GSWC and DRA agree to the following property tax rate for use in the test years:

<u>CSA</u>	<u>Property Tax Rate</u>
Arden Cordova	0.42%

<u>CSA</u>	<u>Property Tax Rate</u>
Bay Point	0.42%
Clearlake 0.37%	
Los Osos	0.53%
Ojai 0.49%	
Santa Maria	0.33%
Simi Valley	0.46%

7.02 Payroll Taxes – GSWC and DRA agree to apply a rate of 8.07% to all labor expenses, as calculated in GSWC's forecast.

7.03 Local Taxes – GSWC and DRA used the same methodology of applying the 5-year average recorded rate of local taxes on all revenue.

The local tax rates used for 2011 are as follows:

<u>CSA</u>	<u>Local Tax Rate</u>
Arden Cordova	0.583%
Bay Point	1.223%
Clearlake 0.005%	
Los Osos	0.0%
Ojai 1.056%	
Santa Maria	0.0%
Simi Valley	1.314%

7.04 Income Taxes – GSWC and DRA differ on the deduction amount for federal income tax calculation. After several discussions, GSWC and DRA agree to the following estimate of deduction in each CSA

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 66,700	\$ 115,800	\$ 91,300
Bay Point	14,400	81,500	48,000
Clearlake -17,600		32,000	7,200
Los Osos	42,500	66,500	54,500
Ojai -13,300		78,000	32,400
Santa Maria	-45,200	167,400	61,100
Simi Valley	-26,600	84,600	29,000

8.00 Supply

8.01 Sources _____ -- A combination of historical usage, expected developments, and constraints on systems were analyzed to determine the level of production from wells and purchased water. The difference in supply volume is attributable to differences in the Parties' projection of sales and water loss percentages, which is addressed in section 3. Set forth below is the stipulated supply mix volume in KCcf for 2011, and 2012.

Arden Cordova CSA	<u>2011</u>	<u>2012</u>
Wells Production	4,185.6	4,281.3
Purchased 0.0		0.0
Surface 4,197.3		4,197.3
		<hr/>
Total 8,382.9		8,478.6

Bay Point CSA	<u>2011</u>	<u>2012</u>
Wells Production	99.8	99.8
Purchased 946.7		1,000.5
		<hr/>
Total 1,046.5		1,100.4

Clearlake CSA	<u>2011</u>	<u>2012</u>
Wells Production	0.0	0.0
Purchased 192.0		193.3
Surface 58.3		58.3
		<hr/>
Total 250.3		251.6

Los Osos CSA	<u>2011</u>	<u>2012</u>
Wells Production	562.9	562.8
Purchased 0.0		0.0
		<hr/>
Total 562.9		562.8

Ojai CSA	<u>2011</u>	<u>2012</u>
Wells Production	817.2	975.8
Purchased 236.6		236.6
		<hr/>
Total 1,053.7		1,212.4
Santa Maria CSA	<u>2011</u>	<u>2012</u>
Wells Production	4,373.3	4,409.5
Purchased 113.5		113.5
		<hr/>
Total 4,486.8		4,523.0
Simi Valley CSA	<u>2011</u>	<u>2012</u>
Wells Production	380.9	380.9
Purchased 2,911.1		2,911.1
		<hr/>
Total 3,292.0		3,292.0

8.02 Supply Cost -- The Parties agree to use GSWC's methodology to forecast purchased water and purchased power costs. The difference in supply cost is attributable to the differences in the Parties' projection of sales, which is addressed in section 3. The latest available rates prior to producing the final decision tables should be used as referenced in paragraph 9.03.

8.03 Allocated Common Customer Accounts – General Office and Allocated General Office Expense – GSWC and DRA agree that the allocated costs related to the General Office will be as set forth in the final decision pending in GSWC's A.08-07-010.

Allocated Common Customer Accounts
– General Office

CSA GSWC

DRA Stipulated

Arden Cordova	\$ 211,093	\$ 188,363	1/
Bay Point	44,654	39,785	1/
Clearlake	15,869	14,083	1/
Los Osos	29,154	26,054	1/
Ojai	36,535	32,743	1/
Santa Maria	117,725	105,272	1/
Simi Valley	126,582	112,666	1/

1/ will be adjusted to reflect outcome of A.08-07-010.

- 8.04 Allocated General Office Expenses– GSWC and DRA agree that the allocated costs related to the General Office will be as set forth in the final decision pending in GSWC’s A.08-07-010.

Allocated General Office Expenses

<u>CSA GSWC</u>		<u>DRA Stipulated</u>	
Arden Cordova	\$ 1,837,200	\$ 1,469,600	1/
Bay Point	388,600	310,400	1/
Clearlake	138,100	109,900	1/
Los Osos	253,700	203,300	1/
Ojai	318,000	255,500	1/
Santa Maria	1,024,600	821,300	1/
Simi Valley	1,101,700	879,000	1/

1/ will be adjusted to reflect outcome of A.08-07-010.

- 8.05 Allocated Centralized Operations Support (“COPS”) – GSWC and DRA agree that the allocated costs related COPS will be as set forth in the final decision pending in GSWC’s A.08-07-010.

Allocated Centralized Operations

Support

<u>CSA GSWC</u>		<u>DRA Stipulated</u>	
Arden Cordova	\$ 540,000	\$ 510,300	1/
Bay Point	114,600	107,300	1/
Clearlake	41,100	38,000	1/
Los Osos	74,400	70,200	1/
Ojai	93,600	89,200	1/
Santa Maria	301,100	284,900	1/
Simi Valley	323,800	305,500	1/

1/ will be adjusted to reflect outcome of A.08-07-010.

8.06 Allocated District Office Expense – GSWC and DRA did not disagree on the methodology to allocate the District Office Expenses but did disagree on the labor cost for the district offices. These costs will not be finally determined until the Commission rules on these issues.

Allocated District Office Expense

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 412,800	\$ 408,100	1/
Bay Point	87,300	86,300	1/
Clearlake	31,000	30,700	1/
Los Osos	53,000	51,800	1/
Ojai	62,700	64,900	1/
Santa Maria	202,100	209,100	1/
Simi Valley	217,300	224,800	1/

1/ will be adjusted to reflect outcome of A.08-07-010

9.00 Conservation Expenses and Programs

9.01 Summary _____ – The Parties agree to a conservation budget for Test Year 2011 of \$323,559 for GSWC’s Region I, divided among the seven CSAs as shown:

Conservation - (Other Operating Expenses)

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 153,047	\$ 108,152	\$130,600
Bay Point	\$18,936	\$12,550	\$17,724
Clearlake \$4,750		\$4,750	\$4,750
Los Osos	\$12,181	\$7,584	\$11,499
Ojai \$13,081		\$8,706	\$13,080
Santa Maria	\$74,959	\$49,297	\$72,165
Simi Valley	\$81,978	\$49,502	\$73,741
Total	\$359,032	\$240,541	\$323,559

Funds are not transferable across CSAs. The budget for each major category will be escalated as part of the escalation year increases with the same distribution across programs as authorized for Test Year 2011. The Parties also agree to a one-way balancing account, limited flexibility within each CSA’s budget, and reporting requirements.

9.02 Background _____ – GSWC’s testimony states that the goals of the requested

conservation programs and budgets are "...reducing customer water usage in a cost effective manner that will achieve water savings goals established in 2008 by the Governor of California;" to "...reduce water usage 20 percent by the year 2020;" and to "implement water conservation programs at an appropriate level to help customers save water and money, and to comply with the program requirements of being an active member of the California Urban Water Conservation Council."³

The water savings goals established by the Governor have been incorporated into Senate Bill X7-7, which was passed in November 2009 and mandates a 20% reduction in statewide per capita water use, by December 31, 2020. There are four different options for complying with the legislation⁴ and three different options for compliance with the CUWCC requirements.⁵ GSWC's application does not establish specific water conservation targets in relation to the legislation or CUWCC compliance, but it does request an increase in conservation activity and spending in a region with historically small conservation programs.

DRA reviewed GSWC's application, responses to data requests, and information received during a site visit to Arden Cordova. Based on this review, DRA recommended budget reductions of 29% - 34% in 6 of the 7 CSAs. DRA's reductions were based on factors such as past spending and program activity; per-student spending on education programs; avoiding duplication of efforts with third parties; rebate amounts; per capita water consumption relative to regional averages; CSA demographics; and concerns over cost-effectiveness in CSAs with low-cost water supplies.

Some of the differences between GSWC's requests and DRA's recommended budgets were not based upon differences in opinion, but upon an inconsistency in electronic files provided by GSWC. DRA

³ Prepared Testimony of Edwin DeLeon, page 2.

⁴ The four options available for compliance with SB X7-7 are: (1) Reducing per capita consumption by 20% from the baseline; (2) Indoor use of 55 gallons per person per day, outdoor use consistent with the Model Water Efficient Landscape Ordinance, and 10% reduction in CII use from the baseline; (3) 95% of the per capita consumption target for the relevant hydrologic region established in the draft 20x2020 Water Conservation Plan process; (4) A method to be developed by the Department of Water Resources by December 31, 2010.

⁵ The three options available for compliance with the CUWCC Memorandum of Understanding (MOU) are the BMP option, in which companies must implement all of the Best Management Practices (BMPs) identified in the MOU, at the required coverage level, with exceptions for BMPs that are not cost-effective; the Flex Track option, in which companies may select measures from a menu and make a showing that these measures result in equal or greater water savings than would be achieved through the BMP option; and the GPCD option, in which companies must show a specified annual reduction in

unknowingly used an excel file with outdated budgets for its analysis, resulting in unintentional reductions in the budgets for some programs. Parties resolved these discrepancies and agreed to the corrected amounts in settlement.

Through extensive settlement discussions, Parties reached agreement on conservation programs and budgets in each CSA, described in Section 7.06, below.

9.03 Flexibility and Spending Limits – The Parties agree that each CSA’s conservation budget will have several internal spending caps relating to broad program categories, rather than allocating funds exclusively to specific programs. These categories are:

- a) Residential Water-saving Devices and Kits (Devices & Kits), which includes measures such as High Efficiency Toilets (HETs), High Efficiency Clotheswashers (HECWs), and Water Conservation Kits;
- b) Audits, which include Residential and Large Landscape audits;
- c) Commercial, Institutional, and Industrial (CII) Programs, which include audits and activities by third parties.
- d) Public Information, which include mailers, promotional items, newspaper ads, and websites;
- e) School Education, which currently includes WaterWise, run by Resource Action Programs, and a program run by Science Discovery;- and
- f) Third Party Dues.

Not every CSA has a budget in each category, and certain conditions apply within the categories. For School Education, the per-student cost must not exceed the dollar amount requested, and GSWC agrees to make a good faith effort to find partnerships to reduce costs wherever possible. Rebate amounts vary among the CSAs. This is due to factors such as customer participation levels, the participation of other wholesale agencies, and rebate amounts provided by other nearby agencies that influence customers’ willingness to participate.

Within each major category, GSWC has the flexibility to spend funds on any of the measures listed in this settlement agreement in accordance with customer demand and Company prioritization, with some restrictions. This will enable GSWC to take advantage of opportunities across sectors and types of conservation programming while ensuring program diversity.

water use, measured in gallons per capita per day (GPCD), against an established baseline.

Funds cannot be shifted across the major categories, unless Public Information, School Education, or Third Party Dues are not needed, in which case they can be shifted to Devices & Kits, Audits, or CII Programs. Further, within Devices & Kits, GSWC may not spend more on the Toilet Direct Program than initially requested unless the program becomes as cost-effective as the rebate program.

GSWC may use authorized funds within each category to implement category-appropriate programs not specifically included in this settlement agreement, provided that they are consistent with the Flex Track Menu of the Memorandum of Understanding of the California Urban Water Conservation Council, and are at least as cost-effective as the measures in the applicable category that are included in this settlement agreement.⁶ GSWC will submit documentation of the cost-effectiveness of such measures in its annual reports. The categories and associated caps for each CSA are explained in Section 7.06.

9.04

One-way balancing Account – The Parties agree that GSWC will track its authorized conservation expenses in each CSA in a separate, one-way balancing account subject to refund so that any unspent funds will be refunded to ratepayers at the end of the rate case cycle. The Parties agree that the settlement of the conservation expenses is contingent upon the authorization and establishment of this one-way balancing account. The one-way balancing account will go into effect on the effective date of new rates adopted in this settlement and is subject to Standard Practice U-27-W.

GSWC will collect the authorized conservation budget through rates, and the Parties agree that the amount authorized in rates will be a ceiling. For each region, the one-way balancing account will track the difference between total actual conservation expenses and total authorized conservation expenses. Within a rate case cycle, funds not used in one year may be used in subsequent years.

⁶ For example, if funds from the Residential Devices and Kits category are used, they must be spent on water-saving devices for the residential sector.

Within 90 days of January 1, 2013 or the effective date of new rates under the 2011 GRC, GSWC will file an Advice Letter demonstrating the funds spent on authorized conservation programs and any over collection. It will propose a means of refunding customers the unexpended funds and interest accrued to its one-way conservation balancing account, consistent with Standard Practice U-27-W.

9.05 Annual Reporting Requirements – GSWC agrees to file an annual report with DRA on April 1 of each year summarizing conservation activities and expenses for each CSA. The report will include a list of each activity or device within each category, the per-unit cost, and estimated water savings, as summarized in the table below.

Not every category and sub-category will apply to each CSA. The report will include a description of each activity (e.g., what is included in residential or large landscape audits, how rebate programs are run, etc.) and explanation of any partnerships or contracts. The report will also note and describe any programs within each category that are not specifically included in this Settlement Agreement, including documentation of consistency with the Flex Track Menu and each program's cost-effectiveness. Finally, the report will document efforts to partner with other agencies on education programs in order to bring down costs.

Programs	Authorized	# of units / activities	\$/unit	Savings/unit (AF/Y)	Unit lifespan	Total spent	Annual program savings (AF/Y)	Lifetime program savings (AF)
Devices & Kits								
Toilet Direct Program								
HECW Rebates								
HET Rebates								
Water Conservation Kits								
Audits								
Large Landscape								
Residential								
CII Programs								
Large Landscape Audits								
Green Business Program								

Programs	Authorized	# of units / activities	\$ / unit	Savings/unit (AFY)	Unit life-span	Total spent	Annual program savings (AFY)	Lifetime program savings (AF)
Public Information*								
WaterWise Website								
Misc. & Customer Promotional Items								
Newspaper Advertising								
School Education**								
Total								

*Include a description of promotional activities undertaken with per-activity units and costs (e.g., brochures mailed at \$.xx/brochure).

**Indicate number of participants.

9.06 CSA Budgets

(a) **Arden Cordova** – The Parties agree to a total budget of \$130,600 in Arden Cordova for 2011 to be spent in 5 major categories: Water-saving Devices & Kits; Audits; Public Information; School Education; and dues to the Regional Water Authority (RWA).⁷

Program GSWC		DRA	Settlement
Devices & Kits			\$45,217
HECW Rebates	\$14,756	\$14,756	
HET Rebates	\$18,445	\$14,756	
Water Conservation Kits	\$11,805	\$11,805	
Audits:			\$22,660
Large Landscape	\$14,332	\$7,166	
Residential	\$30,987	\$24,347	
Public Information	\$15,924	\$0	\$15,924
School Education	\$11,477	\$0	\$11,477
Third Party - RWA dues	\$35,322	\$35,322	\$35,322
Total \$153,047		\$108,151	130,600

Parties differed on the amount of the HET rebates, the number of Large Landscape Audits, and funding for Public Information and School Education as well as RWA Dues. DRA's reduction in the residential audit

⁷ The Regional Water Authority is a joint powers authority that serves and represents the interests of over 20 water providers and associated agencies in the greater Sacramento area. One of its programs, the Water Efficiency Program, carries out activities such as public information, school education, marketing coordination, grant applications and technical assistance.

budget was unintentional, based on an outdated per-audit cost.

In settlement, Parties agreed that within Devices & Kits, GSWC will provide customers with free Water Conservation Kits at a cost to the Company of \$8 per kit, as well as rebates of \$100 for HECWs and \$125 for HETs. DRA agreed to the \$125 HET rebate (instead of \$100 as initially recommended) so GSWC could match the rebates provided by other water utilities in the area. For Audits, Parties agreed to a combined budget of \$22,660 to be used on both Residential and Large Landscape audits, according to customer demand.

DRA agreed to fund separate Public Information and School Education programs along with RWA membership, as the programs are substantially different and RWA membership provides additional benefits beyond these areas. Key among these benefits is enabling GSWC to partner with the Sacramento Municipal Utilities District to fund the WaterWise School Education program, reducing GSWC's per-student cost to \$25.

(b) Bay Point – The Parties agree to a total budget of \$17,724 in Bay Point to be spent in 3 major categories: Devices and Kits; Public Information; and School Education.

Program GSWC		DRA	Settlement
Water Conservation Kits	\$3,718	\$1,859	\$3,718
Public Information			\$4,246
Misc. & Customer Promo.	\$4,846	\$2,423	
Newspaper Advertising	\$612	\$0	
School Education	\$9,760	\$8,268	\$9,760
Total \$18,936		\$12,550	\$17,724

The majority of Bay Point's water is supplied by the Contra Costa Water District ("CCWD"), which conducts residential and CII rebate programs for which GSWC's customers are eligible. Therefore, GSWC's budget does not cover the CII sector, and residential device programs are limited to Water Conservation Kits. Parties differed on Public Information spending and the number of Water Conservation Kits to be provided. DRA recommended reduced budgets because GSWC has a Schedule 14.1 Memorandum Account which allows them to spend and seek recovery of additional conservation funds on such activities in the event of drought-related rationing.

In settlement, Parties agreed to the full amount for Water Conservation Kits and a compromise amount on Public Information spending so GSWC can proactively encourage conservation even in the absence of drought-

related rationing. Parties agreed to the requested School Education budget since the per-student cost could not be reduced.

(c) Clearlake – The Parties agree to a total budget of \$4,750 in Clearlake to be spent on Devices & Kits:

Program GSWC		DRA	Settlement
Devices & Kits			\$4,750
Toilet Direct Program	\$1,878	\$1,878	
HECW Rebates		\$2,700	
HET Rebates			
Water Conservation Kits	\$172	\$172	
School Education	\$2,700		
Total \$4,750		\$4,750	\$4,750

DRA agreed to the amount requested but recommended that the majority of the budget be spent on water-saving devices and rebates rather than School Education, since consumption is already very low in this CSA and consumers are relatively low-income.

In settlement, Parties agreed to place the entire budget in Devices and Kits, with up to 10% of the total to be spent promoting the program with bill inserts, direct mailers, and newspaper advertisements, as needed. GSWC will provide customers with free Water Conservation Kits at a cost to the Company of \$8 per kit, as well as rebates of \$125 for HECWs and HETs, and free toilets through the Toilet Direct Program at a cost to the Company of \$175 each, subject to the conditions specified in section 7.03.

(d) Los Osos – The Parties agree to a total budget of \$11,499 in Los Osos to be spent on Devices & Kits; Public Information; and School Education:

Program GSWC		DRA	Settlement
Devices & Kits			\$7,998
Toilet Direct Program	\$5,598	\$2,799	
HECW Rebates	\$1,591	\$795	
HET Rebates	\$1,591	\$795	
Water Conservation Kits			
Public Information	\$1,664	\$1,664	\$1,664
School Education	\$1,837	\$1,531	\$1,837
Total \$12,281		\$7,584	\$11,499

Parties differed on the number of HETs to be provided through the Toilet Direct Program and the number of HET and HECW rebates. The discrepancy on School Education was due to an error in the electronic

spreadsheet provided to DRA.

In settlement, Parties agreed on the budget for the Toilet Direct Program and rebates, and added Water Conservation Kits to the Devices & Kits category. Within this category, GSWC will offer free Water Conservation Kits at a cost to the Company of \$8 per kit, rebates of \$50 for HECWs and HETs, and free toilets through the Toilet Direct Program at a cost to the Company of \$175 each, subject to the conditions specified in section 7.03. If demand for rebates is low, GSWC may increase the rebates to an upper limit of \$125 and provide a justification in its annual reports. The Parties also resolved the spreadsheet error in School Education.

(e) Ojai – The Parties agree to a total budget of \$13,080 in Ojai to be spent on Devices & Kits; Public Information; and School Education:

Program GSWC		DRA	Settlement
Devices & Kits			\$7,297
Toilet Direct Program	\$4,653	\$2,327	
HECW Rebates	\$1,322	\$1,322	
HET Rebates	\$1,322	\$661	
Water Conservation Kits			
Public Information			\$2,302
City of Oxnard – WaterWise Website	\$855		
Misc. & Customer Promotional Items	\$1,447	\$1,447	
School Education	\$3,481	\$2,949	\$3,481
Total \$13,081		\$8,706	\$13,080

Parties differed on the number of HETs to be provided through the Toilet Direct Program, the number of HET and HECW rebates, the per-student cost of school education, and costs to continue participating in the City of Oxnard's – WaterWise Website.

In settlement, Parties agreed to the full amount requested for devices and kits to be distributed according to demand. Within this category, GSWC will offer free Water Conservation Kits at a cost to the Company of \$8 per kit, rebates of \$50 for HECWs and HETs, and free toilets through the Toilet Direct Program at a cost to the Company of \$175 each, subject to the conditions specified in section 7.03. If demand for rebates is low, GSWC may increase the rebate to an upper limit of \$125 and provide a justification in its annual reports. DRA accepted the amount requested to contribute to the City of Oxnard WaterWise Website because it will be useful in addressing the high outdoor water use in the area. Parties

agreed to the requested School Education budget since the per-student cost could not be reduced.

(f) Santa Maria – Parties agree to a budget of \$72,165 in Santa Maria to be spent on Devices & Kits, CII Programs, Public Information, and School Education:

Program GSWC		DRA	Settlement
Devices & Kits			36,948
Toilet Direct Program	\$22,893	\$11,447	
HECW Rebates	\$6,507	\$6,507	
HET Rebates	\$6,507	\$3,253	
Water Conservation Kits	\$1,041	\$1,041	
CII Programs			\$6,700
Large Landscape Audits	\$7,452	\$1,863	
Santa Barbara Green Business Program	\$2,042		
Public Information			\$6,720
Misc. & Customer Promotional Items	\$6,720	\$6,720	
School Education	\$21,797	\$18,466	\$21,797
Total \$74,959		\$49,297	\$72,165

Parties differed on the number of HETs to be provided through the Toilet Direct Program, the number of HET and HECW rebates, the per-student cost of school education, and participation in the Santa Barbara Green Business Program. The difference for Large Landscape Audits was due to a spreadsheet error.

In settlement, Parties agreed to the full amount requested for Devices & Kits to be distributed according to demand. Within this category, GSWC will offer free Water Conservation Kits at a cost to the Company of \$8 per kit, rebates of \$50 for HECWs and HETs, and free toilets through the Toilet Direct Program at a cost to the Company of \$175 each, subject to the conditions specified in section 7.03. If demand for rebates is low, GSWC may increase the rebates to an upper limit of \$125 and provide a justification in its annual reports. Parties agreed to provide the funds for the Santa Barbara Green Business Program along with a reduced amount for Large Landscape Audits, for the CII sector. Parties agreed to the requested School Education budget since the per-student cost could not be reduced.

(g) **Simi Valley** – Parties agree to a budget of \$73,741 in Simi Valley to be spent on Devices & Kits, Audits, Public Information, and School Education:

Program GSWC		DRA	Settlement
Devices & Kits			\$23,259
HECW Rebates	\$6,461	\$6,461	
HET Rebates	\$6,461	\$6,461	
Water Conservation Kits	\$10,337	\$1,034	
Audits			\$24,959
Large Landscape	\$6,062	\$6,062	
Residential \$27,135		\$10,660	
Public Information	\$13,398	\$6,699	\$13,398
School Education	\$12,125	\$12,125	\$12,125
Total \$81,978		\$49,502	\$73,741

Parties differed on Public Information spending and the number of Water Conservation Kits to be provided. DRA recommended reduced budgets because GSWC has a Schedule 14.1 Memorandum Account which allows them to spend and seek recovery of additional conservation funds on such activities in the event of drought-related rationing. Parties also differed on the amount for residential audits.

In settlement, Parties agreed to the full amount for Water Conservation Kits and a compromise amount on Public Information spending so GSWC can proactively encourage conservation even in the absence of drought-related rationing. Within Devices & Kits, GSWC will provide customers with free Water Conservation Kits at a cost to the Company of \$8 per kit, and rebates of \$50 for HECWs and HETs. If demand is low at these rebate amounts, GSWC may increase the rebates to an upper limit of \$125 and provide a justification in its annual reports.

Parties agreed to split the difference on the Residential Audit budget and include it in the general Audits category with Large Landscape Audits, to be provided at the rate requested by GSWC, according to customer demand.

10.00 Common Issues

10.01 Inflation_____ – The Parties used the same inflation factors from the January, 2010 memo as provided by the DRA Energy Cost of Service Branch to true up historical expenditures into present rate value. .

10.02 Rates Charged for Purchased Water and Purchased Power
The Parties agree the latest available rates prior to developing the decision tables should be used to calculate supply expenses in the final decision.

11.00 Cost of Capital

11.01 Return on Ratebase – Return on Ratebase was not an issue under review in this proceeding. Parties utilized the Return on Equity of 10.20%, the Cost of Debt of 7.49% for Long Term Debt and 8.30% for Incremental Debt and the capital structure of 46.0% for Long Term Debt, 3% for Incremental Debt and 51.0% equity, which results in the 8.90% return on ratebase that was previously adopted by the Commission in D.09-05-019 for years 2009 - 2011.

12.00 Other Issues

12.01 Low Income Program (CARW) – GSWC proposed to keep the current low income ratepayer assistance program in the seven ratemaking districts in Region I. The key components of the proposal were; eligibility for the program would be based on household income and household sizes.

GSWC and DRA agreed to keep LIRA benefit would be a fixed amount equivalent to a 15% reduction on a monthly bill using 15 Ccf for each district. GSWC and DRA also agreed that 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. The discount amounts in this settlement will remain in effect until the next Region I GRC.

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.⁸

GSWC is authorized to conduct random post-enrollment eligibility verification of self-certifying customers.

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

Eligible customers will receive a flat monthly credit as shown in the table below⁹. This amount was chosen because it represents approximately 15 percent of a monthly customer bill with usage of 15 Ccf.

	<u>GSWC</u>	<u>DRA</u>
CSA	2011 & 2012	2011 & 2012
Arden Cordova	\$ 4.00	\$ 3.00
Arden Cordova Flat	8.00	7.00
Bay Point	16.00	16.00
Clearlake	18.00	18.00
Los Osos	16.00	14.00
Ojai	13.00	12.00
Santa Maria	6.00	6.00
Simi Valley	8.00	8.00

⁸ CARE program allows customers to self-verify and submit proof of income upon request.

⁹ 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.

Credits will be adjusted only during future general rate case proceedings if necessary.

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

GSWC agrees to 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.

Similar to the CARE program, qualifying customers will be required to re-qualify every two years.

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

Parties agree GSWC will fund the LIRA program via a monthly volumetric surcharge on every unit of water sold by GSWC.¹⁰ Parties estimate that the volumetric surcharge will be approximately \$0.034 per hundred cubic feet (Ccf) of water per month.¹¹ Any under- collection or over-collection in the balancing account will be recovered or refunded as part of GSWC's general rate case proceedings.

¹⁰ A volumetric surcharge rate design ties the surcharge to consumption level where customers pay an equal amount per Ccf of water consumed.

¹¹ Total estimated subsidy is \$470,109 per year. Total projected consumption by non-qualifying customers for the company is 18,025,523 Ccf. The estimated surcharge per Ccf is 3.4 cents

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.

GSWC agrees to 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.

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.

12.02 WRAM Revenue Adjustment Mechanism (WRAM) and Modify Cost Balancing Account (MCBA) Recovery – Pursuant to D.09-05-005 authorizing the settlement between GSWC and DRA on the "Region I WRAM/MCBA and Conservation Rate Design", GSWC is to file a written report by March 31st of each year, with the Water Division (and a copy to DRA) on the status of the WRAMs and MCBAs. If the year-end report shows that the combined balance of WRAM and MCBA is over 2.5% of annual revenue requirement, GSWC is to file a Tier 1 advice letter requesting authorization to amortize the balance.

(\$470,109/13,890,592 Ccf = \$0.034 per Ccf).

The Financial Accounting Standards Board Emerging Issues Task Force (EITF) Issue Paper 92-07 rule requires recovery of revenues due to, amongst other things, conservation be collected from customer within 24 months of the end of the period in which the revenue is recognized.

GSWC and DRA agree it is in the best interest of GSWC and its customers for GSWC to file for recovery of its WRAM and MCBA annually. The current filing of WRAM/MCBA report by March 31st and 2.5% threshold may extend the recovery of some of the under-collected balances beyond 24 months. Similarly, in case the combined balance of WRAM/MCBA is under 2.5% threshold, the delay in recovery of under-collection may well extend over a year under March 31st filing restrictions. Thus, ratepayers will have to be burden with interest rate charges which are assessed for the under-collected balances. In cases where there is over-collected balance, the credits to the ratepayers will be delayed. Therefore, by replacing the filing threshold from 2.5% to that of annually, will result in subsequent minimizing the impact of any surcharge or surcredit on ratepayers.

GSWC will continue to file a written report by March 31st of each year, with the Water Division (and a copy to DRA) on the status of the WRAMs and MCBAs.

GSWC and DRA believe this settlement meets the intentions and requirements of both the settlement adopted in D.09-05-005 and Standard Practice U-27.

Parties acknowledge that Golden State Water Company plans to file a petition for modification of Commission Decisions [Golden State insert decision numbers] to revise the WRAM/MCBA amortization procedures. Parties agree that Golden State Water Company will comply with the provisions in this settlement and with the decisions from the Order Instituting Rulemaking (I.01-12-009) underlying the Division of Water and Audits' Standard Practice U-27-W until such time that the Commission adopts modified WRAM/MCBA amortization procedures through the petition for modification."

12.03 Rate Design – GSWC and DRA agreed to design rates based on the methodology approved in D.09-05-005.

12.04 Water Litigation Memorandum Account Surcharge Recalculation – GSWC requested a recalculation of the Water Litigation Memorandum Account (Aerojet)

Surcharge, which originally went into effect on 9/22/05. The recalculation was based on the balance in the account as of 9/30/09 and included interest charges from September 2005 to September 2009 as the original surcharge was calculated without considerations for these interest rates, and to which GSWC is entitled. GSWC's recalculation also reflected its forecast for sales and customers in the 2011 test year in this proceeding. DRA reviewed GSWC's request and recommended no change to the existing surcharge as there was no WAF payments received over the September 2005-September 2009 period.

After further discussions between the Parties it was agreed that an adjustment to the surcharge at this time would minimize rate shock to the ratepayers in case no WAF payments will materialize in near future. The Parties also agree that GSWC will be entitled to submit a recalculation of the surcharge in its next General Rate Case to be filed in July 2011, for test year 2013, for review by DRA and the Commission. The Parties original positions and the final surcharges agreed to by the Parties, which reflect any changes agreed to by the Parties for sales and customer forecasts for 2011, are shown in the table below:

Tariff GSWC		DRA	Settlement
AC-1 Metered	\$0.140 per Ccf	\$0.120 per Ccf	\$0.155 per Ccf
AC-2 Flat-rate	\$5.72 per month	\$4.72 per month	\$5.42 per month

The Parties also agree that in the event that WAF payments are received after the Water Litigation Memorandum Account has been fully amortized, those payments will be passed on to customers in the form of a credit. Any WAF payments received before the fully amortization of Water Litigation Memorandum Account will continue be treated pursuant to D.05-07-045.

12.05 Extension of Santa Maria Stipulation Memorandum Account

GSWC requested an extension of the Santa Maria Stipulation Memorandum Account (SMSMA). The SMSMA was specifically authorized to track startup and on going operating expenses for two distinct entities: Twitchell Management Authority (TMA) and Nipomo Mesa Management Area Technical Group (NMMA). However, company's request included the recovery of the legal expenses as well. Upon further discussion both DRA and GSWC agreed that three distinct memorandum accounts were authorized for specific expenses related to Santa Maria Groundwater Basin Adjudication as follows:

- Santa Maria Water Rights Balancing Account ("SMWRBA") to track recovery of costs incurred through 12/31/05, approved under A.L.

1244-WA

- Santa Maria Water Rights Memorandum Account (“SMWRMA”) to track litigation costs incurred after 12/31/05, approved under A.L. 1244-WA
- Santa Maria Stipulation Memorandum Account (“SMSMA”) to track management fees incurred after 12/31/05, approved under A.L. 1246-W

The Parties agree that if GSWC follows the conditions set forth Pursuant to the Commission’s directives issued in D.07-05-041 and advice letter 1246-W to track and recover the associated costs related to the three aforementioned memorandum accounts and not include any of the costs mentioned above in rate recovery outside the respective memorandum accounts, these accounts can be considered active or valid through rate cycle of A.10-01-009 and beyond.

12.05 Supply Cost Balancing Accounts Review and Amortization – GSWC requested review and approval to amortize the Supply Cost Balancing Accounts in its Region 1 CSAs (excluding Simi Valley¹²), as of August 31, 2009. DRA reviewed GSWC’s calculation of the balancing accounts and determined that they had been maintained in accordance with the Commission’s 1983 procedures for determining accruals in incremental balancing accounts.

GSWC preferred to amortize the balances over a twelve-month period with an effective date with the implementation of new rates in this proceeding. DRA recommended that the balances in the Arden Cordova, Bay Point, Los Osos, Ojai and Santa Maria should be combined with the Modified Cost Balancing Accounts in those CSAs and recovered in a future filing. DRA recommended that the Clearlake Supply Cost Balancing Account should continue to be maintained until the balance has reached 2% before filing for recovery. After discussions between the Parties it was agreed that it benefits the customers to amortize all of the reviewed balances with the implementation date of new rates in this proceeding. The amortization period will be determined based on the size of the balance compared with the 2011 adopted revenue requirement. For balances up to 5% of adopted revenues the amortization period will be 12 months, for balances between 5% and 10% the amortization period will be 24 months, and for balances exceeding 10% the amortization period will be 36 months. This will minimize the size of the amortization and reduces

¹² The Simi Valley Supply Cost Balancing Account was submitted for review and amortization prior to the

the additional administration that DRA's recommendation would have created. The table below shows the amounts to be amortized:

CSA	Balance to be Amortized
Arden Cordova	\$98,003
Bay Point	\$233,612
Clearlake \$5,518	
Los Osos	\$48,834
Ojai \$43,505	
Santa Maria	\$191,887

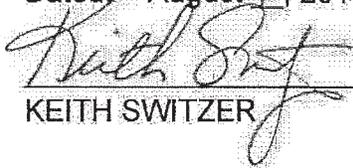
filing of this proceeding and was therefore not part of GSWC's request.

Dated: August __, 2010

DANA S. APPLING, Director

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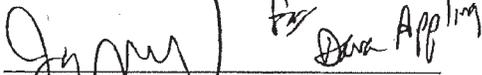
Dated: August 9, 2010



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Dated: August 9, 2010

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Dated: August __, 2010

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APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Arden Cordova A.10-01-009
TEST YEAR 2011

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
GSWC > DRA							
Operating Revenues	9,719.9	(145.9)	9,574.0	0.0	9,574.0	(293.6)	9,867.6
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	1,344.4	(72.5)	1,271.9	0.0	1,271.9	(72.5)	1,344.4
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	129.3	0.0	129.3	0.0	129.3	(0.0)	129.3
Common Cust. Acct. (G.O.)	211.1	0.0	211.1	22.7	188.4	(0.0)	188.4
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	26.2	(6.9)	19.3	0.0	19.3	4.6	14.7
Oper-Labor	685.4	0.0	685.4	13.2	672.2	(0.0)	672.2
Oper-Others	371.6	(81.2)	290.4	0.0	290.4	22.4	268.0
Maint-Labor	147.1	0.0	147.1	2.8	144.3	(0.0)	144.3
Maint-Others	257.6	(3.6)	254.0	0.0	254.0	3.5	250.5
A&G Expenses							
Office Supplies	115.6	0.0	115.6	0.0	115.6	(0.0)	115.6
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	58.3	0.0	58.3	0.0	58.3	(0.0)	58.3
Pension & Benefits	352.4	0.0	352.4	0.0	352.4	(0.0)	352.4
Business Meals	0.6	0.0	0.6	0.0	0.6	(0.0)	0.6
Regulatory Comm	160.2	(55.4)	104.9	0.0	104.9	48.6	56.3
Outside Services	194.1	0.0	194.1	0.0	194.1	(0.0)	194.1
Misc	81.3	(37.5)	43.8	0.0	43.8	0.0	43.8
Alloc Gen Office	1,837.2	0.0	1,837.2	367.6	1,469.6	0.0	1,469.6
Alloc Centralized Ops(COPS)	540.0	0.0	540.0	29.7	510.3	(0.0)	510.3
Alloc District Office	412.8	(0.1)	412.7	4.7	408.0	(0.1)	408.1
Maintenance	13.0	0.0	13.0	0.0	13.0	0.0	13.0
Rent	80.0	(40.0)	40.0	0.0	40.0	40.0	0.0
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	82.4	0.0	82.4	1.6	80.8	0.0	80.8
Depreciation	2,316.1	(8.3)	2,307.8	49.0	2,258.8	(0.0)	2,258.8
Other Taxes							
Property Taxes	457.4	(3.1)	454.3	8.4	445.9	0.1	445.8
Payroll Taxes	73.8	0.0	73.8	1.4	72.4	(0.0)	72.4
Local Taxes	56.7	(0.9)	55.8	0.0	55.8	(1.7)	57.5
Income Taxes	(343.2)	23.8	(319.4)	(250.9)	(68.5)	(38.8)	(29.7)
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	9,661.1	(285.4)	9,375.7	250.3	9,125.4	5.9	9,119.5
Net Operating Revenues	58.9	139.4	198.3	(250.3)	448.6	(299.5)	748.1
Rate Base	18,353.6	(683.7)	17,669.9	1,921.3	15,748.5	183.3	15,565.2
Rate of Return	0.32%		1.12%		2.85%		4.81%
AT PROPOSED RATES:							
Operating Revenues	12,547.9	(506.9)	12,041.0	756.6	11,284.4	278.4	11,006.0
Uncollectibles	33.8	(9.5)	24.3	1.5	22.8	8.1	14.7
Local Taxes	73.2	(3.0)	70.2	4.4	65.8	8.3	57.5
Income Taxes	885.9	(132.3)	753.6	78.2	675.4	205.1	470.3
Adjustment to match DRA report							
Total Expenses After Taxes	10,914.3	(446.2)	10,468.1	585.3	9,882.7	264.3	9,618.5
Net Operating Revenues	1,633.6	(60.7)	1,572.9	171.3	1,401.6	14.1	1,387.5
Rate Base	18,353.6	(683.7)	17,669.9	1,921.3	15,748.5	183.3	15,565.2
Rate of Return	8.90%		8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Arden Cordova A.10-01-009
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	9,719.9	(145.9)	9,574.0	0.0	9,574.0	(293.6)	9,867.6
Operating Expenses	10,004.3	(309.2)	9,695.1	501.2	9,193.9	44.8	9,149.2
Interest on LTD	679.1	(25.3)	653.8	71.1	582.7	4.0	578.7
Book Depr'n (w/ G.O.)	(2,450.6)	8.3	(2,442.3)	(50.4)	(2,391.9)	1.4	(2,393.3)
Total Deductions	8,232.8	(326.2)	7,906.6	521.9	7,384.7	50.1	7,334.6
State Tax Depreciation	(2,348.7)	8.4	(2,340.3)	(49.7)	(2,290.6)	102.7	(2,393.3)
Other State Schedule M	106.9	(8.2)	98.8	(0.1)	98.9	0.2	98.7
8.84% --State Tax	(66.7)	15.9	(50.8)	(50.6)	(0.2)	(21.3)	21.1
Book Depr'n (w/ G.O.)	(2,450.6)	8.3	(2,442.3)	(50.4)	(2,391.9)	1.4	(2,393.3)
Tax Depr. - Flow Through	(30.6)	0.0	(30.6)	0.0	(30.6)	0.0	(30.6)
State Tax Deduction	66.7	(158.0)	(91.3)	0.0	(91.3)	(207.1)	115.8
Other Fed Schedule M	132.7	(8.2)	124.5	(0.1)	124.7	0.2	124.5
Def Rev Amort - Contrib	4.6	0.0	4.6	0.0	4.6	0.0	4.6
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	(276.5)	7.8	(268.7)	(200.4)	(68.3)	(192.2)	123.9
TOTAL INCOME TAX	(343.2)	23.7	(319.5)	(251.0)	(68.5)	(213.5)	145.0
AT PROPOSED RATES:							
Total Operating Revenues	12,547.9	(506.9)	12,041.0	756.6	11,284.4	278.4	11,006.0
Operating Expenses	10,028.4	(313.9)	9,714.5	507.1	9,207.3	58.2	9,149.2
Interest on LTD	679.1	(25.3)	653.8	71.1	582.7	4.0	578.7
Book Depr'n (w/ G.O.)	(2,450.6)	8.3	(2,442.3)	(50.4)	(2,391.9)	1.4	(2,393.3)
Total Deductions	8,256.9	(331.0)	7,926.0	527.8	7,398.1	63.6	7,334.6
State Tax Depreciation	(2,348.7)	8.4	(2,340.3)	(49.7)	(2,290.6)	102.7	(2,393.3)
Other State Schedule M	106.9	(8.2)	98.8	(0.1)	98.9	0.2	98.7
8.84% --State Tax	181.1	(15.5)	165.6	15.8	149.8	33.7	116.1
Book Depr'n (w/ G.O.)	(2,450.6)	8.3	(2,442.3)	(50.4)	(2,391.9)	1.4	(2,393.3)
Tax Depr. - Flow Through	(30.6)	0.0	(30.6)	0.0	(30.6)	0.0	(30.6)
State Tax Deduction	66.7	(158.0)	(91.3)	0.0	(91.3)	(207.1)	115.8
Other Fed Schedule M	132.7	(8.2)	124.5	(0.1)	124.7	0.2	124.5
Def Rev Amort - Contrib	4.6	0.0	4.6	0.0	4.6	0.0	4.6
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	704.8	(116.8)	588.0	62.4	525.6	171.4	354.2
TOTAL INCOME TAX	885.9	(132.3)	753.6	78.2	675.4	205.1	470.3

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RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
GSWC > DRA							
Operating Revenues	5,390.3	(330.3)	5,060.0	0.0	5,060.0	(384.9)	5,444.9
Oper. & Maint. Expenses							
Purchased Water	2,191.6	(180.3)	2,011.3	0.0	2,011.3	(203.0)	2,214.3
Purchased Power	115.8	(7.7)	108.0	0.0	108.0	(7.8)	115.8
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	2.6	0.0	2.6	0.0	2.6	0.0	2.6
Common Cust. Acct. (G.O.)	44.7	0.0	44.7	4.9	39.8	(0.0)	39.8
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	27.8	(1.7)	26.1	0.0	26.1	(2.0)	28.1
Oper-Labor	269.5	0.0	269.5	5.2	264.3	0.0	264.3
Oper-Others	115.9	(3.5)	112.4	0.0	112.4	5.1	107.3
Maint-Labor	57.9	0.0	57.9	1.1	56.8	0.0	56.8
Maint-Others	95.2	2.5	97.7	0.0	97.7	2.5	95.2
A&G Expenses							
Office Supplies	50.8	0.0	50.8	0.0	50.8	0.0	50.8
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	29.4	0.0	29.4	0.0	29.4	0.0	29.4
Pension & Benefits	161.0	0.0	161.0	0.0	161.0	0.0	161.0
Business Meals	1.0	0.0	1.0	0.0	1.0	(0.0)	1.0
Regulatory Comm	33.8	(11.7)	22.1	0.0	22.1	10.2	11.9
Outside Services	28.3	0.0	28.3	0.0	28.3	0.0	28.3
Misc	1.5	0.0	1.5	0.0	1.5	0.0	1.5
Alloc Gen Office	388.6	0.0	388.6	78.2	310.4	0.0	310.4
Alloc Centralized Ops(COPS)	114.6	0.0	114.6	7.3	107.3	0.0	107.3
Alloc District Office	87.3	(0.0)	87.3	1.0	86.3	0.0	86.3
Maintenance	2.9	0.0	2.9	0.0	2.9	(0.0)	2.9
Rent	31.7	0.0	31.7	0.0	31.7	0.0	31.7
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	40.5	0.0	40.5	0.8	39.7	0.0	39.7
Depreciation	840.4	79.4	919.9	5.6	914.3	82.2	832.1
Other Taxes							
Property Taxes	142.4	(1.2)	141.2	0.9	140.3	2.0	138.3
Payroll Taxes	29.7	0.0	29.7	0.6	29.1	0.0	29.1
Local Taxes	65.9	(4.0)	61.9	0.0	61.9	(4.7)	66.6
Income Taxes	(68.0)	(108.2)	(176.2)	(49.7)	(126.5)	(82.3)	(44.2)
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	4,903.2	(236.4)	4,666.8	55.9	4,610.9	(197.4)	4,808.3
Net Operating Revenues	487.1	(93.9)	393.2	(55.9)	449.1	(184.5)	633.6
Rate Base	16,743.9	(146.2)	16,597.8	211.4	16,386.4	(11.8)	16,398.2
Rate of Return	2.91%		2.37%		2.74%		3.86%
AT PROPOSED RATES:							
			38.81%		36.15%		
Operating Revenues	7,208.1	(184.1)	7,024.0	135.0	6,889.0	(34.0)	6,923.0
Uncollectibles	37.2	(1.0)	36.3	0.7	35.6	7.5	28.1
Local Taxes	88.2	(2.3)	85.9	1.7	84.2	10.6	73.6
Income Taxes	715.0	(45.2)	669.8	8.9	660.9	57.1	603.8
Adjustment to match DRA report							
Total Expenses After Taxes	5,717.8	(170.9)	5,546.9	116.9	5,430.1	(33.2)	5,463.3
Net Operating Revenues	1,490.3	(13.2)	1,477.1	18.1	1,459.0	(0.7)	1,459.7
Rate Base	16,743.9	(146.2)	16,597.8	211.4	16,386.4	(11.8)	16,398.2
Rate of Return	8.90%		8.90%		8.90%		8.90%

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RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Total Operating Revenues	5,390.3	(330.3)	5,060.0	0.0	5,060.0	(384.9)	5,444.9
Operating Expenses	4,971.2	(128.2)	4,843.0	105.6	4,737.3	(115.2)	4,852.5
Interest on LTD	619.5	(5.4)	614.1	7.8	606.3	(0.4)	606.7
Book Deprc'n (w/ G.O.)	(868.9)	(79.4)	(948.4)	(34.1)	(914.3)	(53.7)	(860.6)
Total Deductions	4,721.8	(213.1)	4,508.7	79.3	4,429.4	(169.3)	4,598.7
State Tax Depreciation	(852.3)	(80.6)	(932.9)	(5.7)	(927.2)	(95.1)	(832.1)
Other State Schedule M	21.0	0.0	21.0	(0.0)	21.0	76.0	(55.0)
8.84% --State Tax	(14.4)	(17.5)	(31.9)	(7.5)	(24.4)	(20.8)	(3.6)
Book Deprc'n (w/ G.O.)	(868.9)	(79.4)	(948.4)	(34.1)	(914.3)	(53.7)	(860.6)
Tax Depr. - Flow Through	(8.6)	0.0	(8.6)	0.0	(8.6)	0.0	(8.6)
State Tax Deduction	14.4	(62.4)	(48.0)	0.0	(48.0)	33.6	(81.5)
Other Fed Schedule M	26.4	0.0	26.4	(0.0)	26.5	52.9	(26.4)
Def Rev Amort - Contrib	14.8	0.0	14.8	0.0	14.8	0.0	14.8
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	(53.6)	(90.7)	(144.3)	(39.7)	(104.6)	(64.0)	(40.6)
TOTAL INCOME TAX	(68.0)	(108.2)	(176.2)	(47.2)	(129.0)	(84.8)	(44.2)
AT PROPOSED RATES:							
Total Operating Revenues	7,208.1	(184.1)	7,024.0	135.0	6,889.0	(34.0)	6,923.0
Operating Expenses	5,002.8	(125.7)	4,877.1	108.0	4,769.2	(83.3)	4,852.5
Interest on LTD	619.5	(5.4)	614.1	7.8	606.3	(0.4)	606.7
Book Deprc'n (w/ G.O.)	(868.9)	(79.4)	(948.4)	(34.1)	(914.3)	(53.7)	(860.6)
Total Deductions	4,753.4	(210.5)	4,542.9	81.7	4,461.2	(137.5)	4,598.7
State Tax Depreciation	(852.3)	(80.6)	(932.9)	(5.7)	(927.2)	(95.1)	(832.1)
Other State Schedule M	21.0	0.0	21.0	(0.0)	21.0	76.0	(55.0)
8.84% --State Tax	143.5	(4.8)	138.7	2.2	136.5	7.0	129.5
Book Deprc'n (w/ G.O.)	(868.9)	(79.4)	(948.4)	(34.1)	(914.3)	(53.7)	(860.6)
Tax Depr. - Flow Through	(8.6)	0.0	(8.6)	0.0	(8.6)	0.0	(8.6)
State Tax Deduction	14.4	(62.4)	(48.0)	0.0	(48.0)	33.6	(81.5)
Other Fed Schedule M	26.4	0.0	26.4	(0.0)	26.5	52.9	(26.4)
Def Rev Amort - Contrib	14.8	0.0	14.8	0.0	14.8	0.0	14.8
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	571.5	(40.4)	531.1	6.7	524.4	50.1	474.3
TOTAL INCOME TAX	715.0	(45.2)	669.8	8.9	660.9	57.1	603.8

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RECONCILIATION EXHIBIT
 GOLDEN STATE WATER COMPANY
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
	GSWC > DRA						
Operating Revenues	1,817.9	(21.7)	1,796.2	0.0	1,796.2	(29.6)	1,825.8
Oper. & Maint. Expenses							
Purchased Water	25.0	(1.8)	23.2	0.0	23.2	(0.5)	23.7
Purchased Power	80.4	(3.6)	76.8	0.0	76.8	(3.6)	80.4
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	28.5	(2.3)	26.3	0.0	26.3	(0.0)	26.3
Common Cust. Acct. (G.O.)	15.9	0.0	15.9	1.8	14.1	(0.0)	14.1
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	10.2	(0.1)	10.1	0.0	10.1	(1.6)	11.7
Oper-Labor	294.4	0.0	294.4	5.7	288.8	(0.0)	288.8
Oper-Others	89.6	(4.9)	84.7	0.0	84.7	0.0	84.7
Maint-Labor	46.3	0.0	46.3	0.9	45.4	(0.0)	45.4
Maint-Others	61.5	0.0	61.5	0.0	61.5	0.0	61.5
A&G Expenses							
Office Supplies	63.0	0.0	63.0	0.0	63.0	(0.0)	63.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	22.4	0.0	22.4	0.0	22.4	(0.0)	22.4
Pension & Benefits	151.2	0.0	151.2	0.0	151.2	0.0	151.2
Business Meals	1.0	0.0	1.0	0.0	1.0	0.0	1.0
Regulatory Comm	12.0	(4.1)	7.8	0.0	7.8	3.6	4.2
Outside Services	5.6	0.0	5.6	0.0	5.6	(0.0)	5.6
Misc	0.8	0.0	0.8	0.0	0.8	(0.0)	0.8
Alloc Gen Office	138.1	0.0	138.1	28.2	109.9	(0.0)	109.9
Alloc Centralized Ops(COPS)	41.1	0.0	41.1	3.2	38.0	(0.0)	38.0
Alloc District Office	31.0	(0.0)	31.0	0.4	30.7	(0.0)	30.7
Maintenance	1.0	0.0	1.0	0.0	1.0	0.0	1.0
Rent	12.8	0.0	12.8	0.0	12.8	0.0	12.8
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	20.6	0.0	20.6	0.4	20.2	(0.0)	20.2
Depreciation	292.2	(1.6)	290.7	1.9	288.8	(0.0)	288.8
Other Taxes							
Property Taxes	37.6	(0.3)	37.3	0.4	36.9	0.8	36.1
Payroll Taxes	29.1	0.0	29.1	0.6	28.6	(0.0)	28.6
Local Taxes	0.1	(0.0)	0.1	0.0	0.1	(0.0)	0.1
Income Taxes	52.8	(3.2)	49.6	(20.5)	70.1	4.0	66.1
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	1,564.2	(21.9)	1,542.3	22.8	1,519.5	2.4	1,517.1
Net Operating Revenues	253.7	0.2	253.9	(22.8)	276.7	(33.0)	309.7
Rate Base	5,277.3	(76.2)	5,201.0	94.2	5,106.8	8.4	5,098.4
Rate of Return	4.81%		4.88%		5.42%		6.07%
AT PROPOSED RATES:							
Operating Revenues	2,204.7	(34.7)	2,170.0	55.4	2,114.6	30.6	2,084.0
Uncollectibles	12.4	(0.2)	12.2	0.3	11.9	0.2	11.7
Local Taxes	0.1	(0.0)	0.1	0.0	0.1	0.0	0.1
Income Taxes	221.4	(8.8)	212.6	3.7	208.9	29.5	179.4
Adjustment to match DRA report							
Total Expenses After Taxes	1,735.0	(27.6)	1,707.4	47.3	1,660.1	29.7	1,630.4
Net Operating Revenues	469.7	(7.1)	462.6	8.1	454.5	0.9	453.6
Rate Base	5,277.3	(76.2)	5,201.0	94.2	5,106.8	8.4	5,098.4
Rate of Return	8.90%		8.89%		8.90%		8.90%

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RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	1,817.9	(21.7)	1,796.2	0.0	1,796.2	(29.6)	1,825.8
Operating Expenses	1,511.4	(18.7)	1,492.7	43.3	1,449.4	(1.6)	1,451.0
Interest on LTD	195.3	(2.8)	192.4	3.5	189.0	0.0	188.9
Book Deprcn (w/ G.O.)	(302.4)	(8.6)	(300.8)	(12.1)	(298.9)	(10.1)	(298.9)
Total Deductions	1,404.3	(20.0)	1,384.3	44.9	1,339.4	(1.6)	1,341.0
State Tax Depreciation	(296.4)	1.6	(294.8)	(1.9)	(292.8)	(4.0)	(288.8)
Other State Schedule M	81.4	(73.9)	7.5	(0.0)	7.5	15.0	(7.5)
8.84% --State Tax	17.6	(6.6)	11.0	(4.2)	15.2	(1.5)	16.7
Book Deprcn (w/ G.O.)	(302.4)	1.6	(300.8)	(1.9)	(298.9)	0.0	(298.9)
Tax Depr. - Flow Through	(11.8)	0.0	(11.8)	0.0	(11.8)	0.0	(11.8)
State Tax Deduction	(17.6)	10.4	(7.2)	0.0	(7.2)	24.8	(32.0)
Other Fed Schedule M	10.1	(0.6)	9.5	(0.0)	9.5	19.0	(9.5)
Def Rev Amort - Contrib	8.7	0.0	8.7	0.0	8.7	0.0	8.7
Adjustment for Job Creation Act			0.0	0.0			0.0
35.00% --Federal Tax	35.2	3.4	38.6	(16.4)	55.0	5.6	49.4
TOTAL INCOME TAX	52.8	(3.2)	49.6	(20.6)	70.2	4.1	66.1
AT PROPOSED RATES:							
Total Operating Revenues	2,204.7	(34.7)	2,170.0	55.4	2,114.6	30.6	2,084.0
Operating Expenses	1,513.6	(18.8)	1,494.8	43.6	1,451.2	0.2	1,451.0
Interest on LTD	195.3	(2.8)	192.4	3.5	189.0	0.0	188.9
Book Deprcn (w/ G.O.)	(302.4)	1.6	(300.8)	(1.9)	(298.9)	0.0	(298.9)
Total Deductions	1,406.5	(20.0)	1,386.5	45.2	1,341.2	0.3	1,341.0
State Tax Depreciation	(296.4)	1.6	(294.8)	(1.9)	(292.8)	(4.0)	(288.8)
Other State Schedule M	81.4	(73.9)	7.5	(0.0)	7.5	15.0	(7.5)
8.84% --State Tax	51.6	(7.7)	43.9	0.8	43.1	3.6	39.5
Book Deprcn (w/ G.O.)	(302.4)	1.6	(300.8)	(1.9)	(298.9)	0.0	(298.9)
Tax Depr. - Flow Through	(11.8)	0.0	(11.8)	0.0	(11.8)	0.0	(11.8)
State Tax Deduction	(17.6)	10.4	(7.2)	0.0	(7.2)	24.8	(32.0)
Other Fed Schedule M	10.1	(0.6)	9.5	(0.0)	9.5	19.0	(9.5)
Def Rev Amort - Contrib	8.7	0.0	8.7	0.0	8.7	0.0	8.7
Adjustment for Job Creation Act			0.0	0.0			0.0
35.00% --Federal Tax	169.8	(1.1)	168.7	2.9	165.8	25.9	139.9
TOTAL INCOME TAX	221.4	(8.8)	212.6	3.7	208.9	29.5	179.4

APPENDIX A

RECONCILIATION EXHIBIT
 GOLDEN STATE WATER COMPANY
 Northern District Office A.10-01-009
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:				GSWC > DRA			
Operating Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (G.O.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oper-Labor	39.5	0.0	39.5	0.8	38.8	(0.0)	38.8
Oper-Others	0.5	0.0	0.5	0.0	0.5	(0.0)	0.5
Maint-Labor	0.4	0.0	0.4	0.0	0.4	0.0	0.4
Maint-Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Expenses							
Office Supplies	24.5	0.0	24.5	0.0	24.5	(0.0)	24.5
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	12.7	0.0	12.7	0.0	12.7	(0.0)	12.7
Pension & Benefits	160.7	0.0	160.7	0.0	160.7	(0.0)	160.7
Business Meals	1.4	0.0	1.4	0.0	1.4	0.0	1.4
Regulatory Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outside Services	7.6	0.0	7.6	0.0	7.6	(0.0)	7.6
Misc	1.4	0.0	1.4	0.0	1.4	0.0	1.4
Alloc Gen Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc Centralized Ops(COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc District Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance	0.7	0.0	0.7	0.0	0.7	0.0	0.7
Rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	248.3	0.0	248.3	4.8	243.5	0.0	243.5
Depreciation	8.2	(0.1)	8.1	(0.0)	8.1	(0.0)	8.2
Other Taxes							
Property Taxes	1.9	0.0	1.9	0.0	1.9	(0.0)	1.9
Payroll Taxes	23.3	0.0	23.3	0.4	22.8	0.0	22.8
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment of G O Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	531.1	(0.1)	531.0	6.0	525.0	(0.1)	525.1
Net Operating Revenues	(531.1)	0.1	(531.0)	(6.0)	(525.0)	0.1	(525.1)
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
GSWC > DRA							
Operating Revenues	3,002.6	(98.9)	2,903.7	0.0	2,903.7	(98.8)	3,002.5
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	202.2	(9.7)	192.5	0.0	192.5	(9.5)	202.0
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	292.7	(15.0)	277.8	0.0	277.8	137.0	140.8
Common Cust. Acct. (G.O.)	29.2	0.0	29.2	3.1	26.1	(0.0)	26.1
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	3.0	(0.1)	2.9	0.0	2.9	(0.4)	3.3
Oper-Labor	299.8	0.0	299.8	5.8	294.0	0.0	294.0
Oper-Others	193.9	(18.4)	175.5	0.0	175.5	64.8	110.7
Maint-Labor	48.6	0.0	48.6	0.9	47.7	(0.0)	47.7
Maint-Others	274.7	(89.9)	184.8	0.0	184.8	85.4	99.4
A&G Expenses							
Office Supplies	59.0	0.0	59.0	0.0	59.0	0.0	59.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	24.9	0.0	24.9	0.0	24.9	0.0	24.9
Pension & Benefits	141.7	0.0	141.7	0.0	141.7	0.0	141.7
Business Meals	0.7	0.0	0.7	0.0	0.7	0.0	0.7
Regulatory Comm	22.1	(7.6)	14.5	0.0	14.5	6.7	7.8
Outside Services	344.5	(231.4)	113.1	0.0	113.1	0.0	113.1
Misc	0.5	0.0	0.5	0.0	0.5	0.0	0.5
Alloc Gen Office	253.7	0.0	253.7	50.5	203.3	(0.0)	203.3
Alloc Centralized Ops(COPS)	74.4	0.0	74.4	4.2	70.2	(0.0)	70.2
Alloc District Office	53.0	(0.3)	52.7	0.6	52.1	0.3	51.8
Maintenance	4.8	0.0	4.8	0.0	4.8	0.0	4.8
Rent	2.4	0.0	2.4	0.0	2.4	0.0	2.4
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	42.1	0.0	42.1	0.8	41.3	(0.0)	41.3
Depreciation	582.1	(5.9)	576.3	61.3	515.0	1.3	513.7
Other Taxes							
Property Taxes	102.1	(1.2)	100.9	13.9	87.0	1.2	85.8
Payroll Taxes	31.5	0.0	31.5	0.6	30.9	(0.0)	30.9
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	(203.0)	91.9	(111.1)	(104.0)	(7.1)	(152.9)	145.8
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	2,880.7	(287.6)	2,593.1	37.7	2,555.4	133.7	2,421.7
Net Operating Revenues	122.0	188.6	310.6	(37.7)	348.3	(232.5)	580.8
Rate Base	11,473.2	(203.1)	11,270.1	2,576.6	8,693.4	138.4	8,555.0
Rate of Return	1.06%		2.76%		4.01%		6.79%
AT PROPOSED RATES:							
Operating Revenues	4,605.3	(467.3)	4,138.0	478.0	3,662.0	337.0	3,325.0
Uncollectibles	4.6	(0.5)	4.1	0.5	3.7	0.3	3.3
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	499.0	(69.5)	429.5	104.5	325.0	36.9	288.1
Adjustment to match DRA report							
Total Expenses After Taxes	3,584.3	(449.3)	3,134.9	246.6	2,888.3	324.3	2,564.0
Net Operating Revenues	1,021.0	(17.9)	1,003.1	229.4	773.7	12.7	761.0
Rate Base	11,473.2	(203.1)	11,270.1	2,576.6	8,693.4	138.4	8,555.0
Rate of Return	8.90%		8.90%		8.90%		8.90%

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RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	3,002.6	(98.9)	2,903.7	0.0	2,903.7	(98.8)	3,002.5
Operating Expenses	3,083.7	(379.5)	2,704.2	141.6	2,562.5	286.6	2,275.9
Interest on LTD	424.5	(7.5)	417.0	95.3	321.7	4.4	317.2
Book Deprc'n (w/ G.O.)	(600.7)	5.9	(594.8)	(61.5)	(533.3)	(1.1)	(532.3)
Total Deductions	2,907.5	(381.1)	2,526.4	175.5	2,350.9	290.0	2,060.9
State Tax Depreciation	(590.4)	6.0	(584.4)	(62.1)	(522.2)	(8.5)	(513.7)
Other State Schedule M	14.7	(1.1)	13.6	(0.0)	13.6	27.2	(13.6)
8.84% --State Tax	(42.5)	25.4	(17.1)	(21.0)	3.9	(32.7)	36.6
Book Deprc'n (w/ G.O.)	(600.7)	5.9	(594.8)	(61.5)	(533.3)	(1.1)	(532.3)
Tax Depr. - Flow Through	(14.3)	0.0	(14.3)	0.0	(14.3)	0.0	(14.3)
State Tax Deduction	42.5	(97.0)	(54.5)	0.0	(54.5)	12.0	(66.5)
Other Fed Schedule M	18.3	(1.1)	17.2	(0.0)	17.2	34.4	(17.2)
Def Rev Amort - Contrib	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Adjustment for Job Creation Act 35.00% --Federal Tax	(160.5)	66.5	(94.0)	(83.0)	(11.0)	(120.2)	109.2
TOTAL INCOME TAX	(203.0)	91.9	(111.1)	(104.0)	(7.1)	(152.9)	145.8
AT PROPOSED RATES:							
Total Operating Revenues	4,605.3	(467.3)	4,138.0	476.0	3,662.0	337.0	3,325.0
Operating Expenses	3,085.3	(379.8)	2,705.4	142.1	2,563.3	287.4	2,275.9
Interest on LTD	424.5	(7.5)	417.0	95.3	321.7	4.4	317.2
Book Deprc'n (w/ G.O.)	(600.7)	5.9	(594.8)	(61.5)	(533.3)	(1.1)	(532.3)
Total Deductions	2,909.1	(381.5)	2,527.6	176.0	2,351.6	290.7	2,060.9
State Tax Depreciation	(590.4)	6.0	(584.4)	(62.1)	(522.2)	(8.5)	(513.7)
Other State Schedule M	14.7	(1.1)	13.6	(0.0)	13.6	27.2	(13.6)
8.84% --State Tax	99.1	(7.2)	91.9	21.0	70.9	5.6	65.3
Book Deprc'n (w/ G.O.)	(600.7)	5.9	(594.8)	(61.5)	(533.3)	(1.1)	(532.3)
Tax Depr. - Flow Through	(14.3)	0.0	(14.3)	0.0	(14.3)	0.0	(14.3)
State Tax Deduction	42.5	(97.0)	(54.5)	0.0	(54.5)	12.0	(66.5)
Other Fed Schedule M	18.3	(1.1)	17.2	(0.0)	17.2	34.4	(17.2)
Def Rev Amort - Contrib	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Adjustment for Job Creation Act 35.00% --Federal Tax	399.9	(62.3)	337.6	83.5	254.1	31.3	222.8
TOTAL INCOME TAX	499.0	(69.5)	429.5	104.5	325.0	36.9	288.1

APPENDIX A

RECONCILIATION EXHIBIT
 GOLDEN STATE WATER COMPANY
 Ojai A.10-01-009
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
GSWC > DRA							
Operating Revenues	4,255.0	(116.4)	4,138.6	0.0	4,138.6	(116.5)	4,255.1
Oper. & Maint. Expenses							
Purchased Water	357.1	0.0	357.1	0.0	357.1	0.0	357.1
Purchased Power	299.1	(5.6)	293.5	0.0	293.5	(5.6)	299.1
Pump Taxes	34.9	(1.6)	33.3	0.0	33.3	(1.6)	34.9
Chemicals	42.0	(1.9)	40.1	0.0	40.1	(0.0)	40.1
Common Cust. Acct. (G.O.)	36.5	0.0	36.5	3.8	32.7	0.0	32.7
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	6.7	(0.2)	6.5	0.0	6.5	(1.4)	7.9
Oper-Labor	303.0	(29.5)	273.5	5.3	268.2	28.9	239.3
Oper-Others	104.6	(0.0)	104.6	0.0	104.6	4.4	100.2
Maint-Labor	150.6	(14.7)	135.9	2.6	133.3	14.4	118.9
Maint-Others	266.1	28.7	294.7	0.0	294.7	80.0	214.7
A&G Expenses							
Office Supplies	61.0	0.0	61.0	0.0	61.0	0.0	61.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	32.2	0.0	32.2	0.0	32.2	0.0	32.2
Pension & Benefits	158.5	0.0	158.5	0.0	158.5	0.0	158.5
Business Meals	2.7	0.0	2.7	0.0	2.7	0.0	2.7
Regulatory Comm	28.0	(9.7)	18.3	0.0	18.3	8.5	9.8
Outside Services	63.9	0.0	63.9	0.0	63.9	0.0	63.9
Misc	5.1	0.0	5.1	0.0	5.1	0.0	5.1
Alloc Gen Office	318.0	0.0	318.0	62.5	255.5	(0.0)	255.5
Alloc Centralized Ops (COPS)	93.6	0.0	93.6	4.5	89.2	(0.0)	89.2
Alloc District Office	62.7	3.3	66.1	0.7	65.3	0.4	64.9
Maintenance	6.9	10.0	16.9	0.0	16.9	10.0	6.9
Rent	67.4	(30.5)	36.9	0.0	36.9	0.0	36.9
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	42.1	(4.1)	38.0	0.7	37.3	4.0	33.3
Depreciation	775.9	(8.6)	767.3	27.4	739.9	3.4	736.5
Other Taxes							
Property Taxes	114.8	(1.9)	112.9	8.1	104.8	2.9	101.9
Payroll Taxes	40.0	(3.9)	36.1	0.7	35.4	3.8	31.6
Local Taxes	44.9	(1.2)	43.7	0.0	43.7	(1.2)	44.9
Income Taxes	56.5	(20.4)	36.1	(79.3)	115.4	(92.9)	208.3
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	3,575.0	(91.8)	3,483.1	37.1	3,446.0	58.0	3,388.1
Net Operating Revenues	680.1	(24.6)	655.5	(37.1)	692.6	(174.5)	867.0
Rate Base	16,681.3	(407.5)	16,273.8	1,740.5	14,533.3	207.6	14,325.7
Rate of Return	4.08%		4.03%		4.77%		6.05%
AT PROPOSED RATES:							
Operating Revenues	5,705.3	(137.3)	5,568.0	346.3	5,221.7	248.7	4,973.0
Uncollectibles	9.0	(0.2)	8.8	0.5	8.2	0.3	7.9
Local Taxes	60.2	(1.4)	58.8	3.7	55.1	9.7	45.4
Income Taxes	684.5	(29.4)	655.1	70.7	584.4	67.0	517.4
Adjustment to match DRA report							
Total Expenses After Taxes	4,220.6	(101.1)	4,119.5	191.3	3,928.2	230.5	3,697.7
Net Operating Revenues	1,484.7	(36.2)	1,448.5	155.0	1,293.5	18.2	1,275.3
Rate Base	16,681.3	(407.5)	16,273.8	1,740.5	14,533.3	207.6	14,325.7
Rate of Return	8.90%		8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	4,255.0	(116.4)	4,138.6	0.0	4,138.6	(116.5)	4,255.1
Operating Expenses	3,518.5	(71.4)	3,447.0	116.4	3,330.6	150.9	3,179.8
Interest on LT D	617.2	(15.1)	602.1	64.4	537.7	5.6	532.2
Book Depr'n (w/ G.O.)	(799.2)	8.6	(790.6)	(27.7)	(762.9)	(3.1)	(759.8)
Total Deductions	3,336.5	(77.9)	3,258.6	153.1	3,105.5	153.3	2,952.1
State Tax Depreciation	(786.9)	8.7	(778.1)	(27.8)	(750.3)	(13.8)	(736.5)
Other State Schedule M	18.5	(1.4)	17.1	(0.0)	17.1	34.2	(17.1)
8.84% --State Tax	13.3	(2.8)	10.5	(16.0)	26.5	(22.1)	48.6
Book Depr'n (w/ G.O.)	(799.2)	8.6	(790.6)	(27.7)	(762.9)	(3.1)	(759.8)
Tax Depr. - Flow Through	(6.8)	0.0	(6.8)	0.0	(6.8)	0.0	(6.8)
State Tax Deduction	(13.3)	(19.1)	(32.4)	0.0	(32.4)	45.7	(78.0)
Other Fed Schedule M	23.0	(1.4)	21.6	(0.0)	21.6	43.2	(21.6)
Def Rev Amort - Contrib	1.1	0.0	1.1	0.0	1.1	0.0	1.1
Adjustment for Job Creation Act 35.00% --Federal Tax	43.2	(17.6)	25.6	(63.3)	88.9	(70.8)	159.7
TOTAL INCOME TAX	56.5	(20.4)	36.1	(79.3)	115.4	(92.9)	208.3
AT PROPOSED RATES:							
Total Operating Revenues	5,705.3	(137.3)	5,568.0	346.3	5,221.7	248.7	4,973.0
Operating Expenses	3,536.1	(71.7)	3,464.4	120.6	3,343.8	164.0	3,179.8
Interest on LT D	617.2	(15.1)	602.1	64.4	537.7	5.6	532.2
Book Depr'n (w/ G.O.)	(799.2)	8.6	(790.6)	(27.7)	(762.9)	(3.1)	(759.8)
Total Deductions	3,354.1	(78.1)	3,275.9	157.3	3,118.6	166.5	2,952.1
State Tax Depreciation	(786.9)	8.7	(778.1)	(27.8)	(750.3)	(13.8)	(736.5)
Other State Schedule M	18.5	(1.4)	17.1	(0.0)	17.1	34.2	(17.1)
8.84% --State Tax	139.9	(4.6)	135.3	14.2	121.1	8.3	112.8
Book Depr'n (w/ G.O.)	(799.2)	8.6	(790.6)	(27.7)	(762.9)	(3.1)	(759.8)
Tax Depr. - Flow Through	(6.8)	0.0	(6.8)	0.0	(6.8)	0.0	(6.8)
State Tax Deduction	(13.3)	(19.1)	(32.4)	0.0	(32.4)	45.7	(78.0)
Other Fed Schedule M	23.0	(1.4)	21.6	(0.0)	21.6	43.2	(21.6)
Def Rev Amort - Contrib	1.1	0.0	1.1	0.0	1.1	0.0	1.1
Adjustment for Job Creation Act 35.00% --Federal Tax	544.6	(24.8)	519.8	56.5	463.3	58.7	404.6
TOTAL INCOME TAX	684.5	(29.4)	655.1	70.7	584.4	67.0	517.4

APPENDIX A

RECONCILIATION EXHIBIT
 GOLDEN STATE WATER COMPANY
 Santa Maria A.10-01-009
 TEST YEAR 2011

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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
				GSWC > DRA			
Operating Revenues	9,357.6	(30.8)	9,326.8	0.0	9,326.8	(30.8)	9,357.6
Oper. & Maint. Expenses							
Purchased Water	55.3	0.0	55.3	0.0	55.3	(0.0)	55.3
Purchased Power	1,700.3	(8.2)	1,692.1	0.0	1,692.1	(8.2)	1,700.3
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	59.5	(5.8)	53.7	0.0	53.7	5.8	47.9
Common Cust. Acct. (G.O.)	117.7	0.0	117.7	12.5	105.3	(0.0)	105.3
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	11.5	(1.2)	10.3	0.0	10.3	0.7	9.6
Oper-Labor	589.1	0.0	589.1	11.4	577.7	0.0	577.7
Oper-Others	410.9	(70.6)	340.3	0.0	340.3	22.9	317.4
Maint-Labor	160.7	0.0	160.7	3.1	157.6	(0.0)	157.6
Maint-Others	533.5	(98.9)	434.6	0.0	434.6	176.3	258.3
A&G Expenses							
Office Supplies	113.4	0.0	113.4	0.0	113.4	0.0	113.4
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	52.5	0.0	52.5	0.0	52.5	0.0	52.5
Pension & Benefits	363.6	0.0	363.6	0.0	363.6	0.0	363.6
Business Meals	1.8	0.0	1.8	0.0	1.8	(0.0)	1.8
Regulatory Comm	89.5	(30.9)	58.6	0.0	58.6	27.2	31.4
Outside Services	59.9	(51.6)	8.3	0.0	8.3	0.0	8.3
Misc	1.0	0.0	1.0	0.0	1.0	0.0	1.0
Alloc Gen Office	1,024.6	0.0	1,024.6	203.3	821.3	0.0	821.3
Alloc Centralized Ops(COPS)	301.1	0.0	301.1	16.2	284.9	(0.0)	284.9
Alloc District Office	202.1	10.8	212.9	2.3	210.5	1.4	209.1
Maintenance	11.4	0.0	11.4	0.0	11.4	(0.0)	11.4
Rent	94.5	0.0	94.5	0.0	94.5	(0.0)	94.5
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	87.6	0.0	87.6	1.7	85.9	0.0	85.9
Depreciation	1,606.4	(32.1)	1,574.3	98.0	1,476.2	0.4	1,475.8
Other Taxes							
Property Taxes	185.3	(3.4)	181.9	14.5	167.4	(0.2)	167.6
Payroll Taxes	67.6	0.0	67.6	1.3	66.3	(0.0)	66.3
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	189.4	123.5	312.9	(231.9)	544.8	(21.2)	566.0
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	8,090.1	(168.5)	7,921.7	132.4	7,789.3	205.1	7,584.2
Net Operating Revenues	1,267.5	137.7	1,405.1	(132.4)	1,537.5	(241.9)	1,779.4
Rate Base	28,576.8	(1,015.1)	27,561.6	4,446.4	23,115.2	(110.1)	23,225.3
Rate of Return	4.44%		5.10%		6.65%		7.66%
AT PROPOSED RATES:							
Operating Revenues	11,632.2	(437.2)	11,195.0	941.7	10,253.3	383.3	9,870.0
Uncollectibles	14.3	(2.0)	12.3	1.0	11.3	1.7	9.6
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	1,185.4	(54.4)	1,131.0	180.5	950.5	162.3	788.2
Adjustment to match DRA report							
Total Expenses After Taxes	9,088.9	(347.1)	8,741.8	545.8	8,196.0	389.6	7,806.4
Net Operating Revenues	2,543.3	(90.2)	2,453.2	395.9	2,057.3	(9.9)	2,067.2
Rate Base	28,576.8	(1,015.1)	27,561.6	4,446.4	23,115.2	(110.1)	23,225.3
Rate of Return	8.90%		8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Santa Maria A.10-01-009
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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	9,357.6	(30.8)	9,326.8	0.0	9,326.8	(30.8)	9,357.6
Operating Expenses	7,900.7	(291.9)	7,608.8	364.3	7,244.5	226.3	7,018.2
Interest on LTD	1,057.3	(37.6)	1,019.8	164.5	855.3	(12.4)	867.6
Book Depr'n (w/ G.O.)	(1,681.4)	32.1	(1,649.3)	(98.8)	(1,550.5)	3.6	(1,554.1)
Total Deductions	7,276.7	(297.4)	6,979.3	430.0	6,549.3	217.5	6,331.7
State Tax Depreciation	(1,629.0)	32.6	(1,596.5)	(99.4)	(1,497.1)	(21.3)	(1,475.8)
Other State Schedule M	59.6	(4.6)	55.1	(0.1)	55.1	110.1	(55.0)
8.84% --State Tax	45.2	26.1	71.3	(46.8)	118.1	(14.9)	133.0
Book Depr'n (w/ G.O.)	(1,681.4)	32.1	(1,649.3)	(98.8)	(1,550.5)	3.6	(1,554.1)
Tax Depr. - Flow Through	(31.0)	0.0	(31.0)	0.0	(31.0)	0.0	(31.0)
State Tax Deduction	(45.2)	(15.9)	(61.1)	0.0	(61.1)	106.3	(167.4)
Other Fed Schedule M	74.0	(4.6)	69.4	(0.1)	69.5	138.9	(69.4)
Def Rev Amort - Contrib	14.7	0.0	14.7	0.0	14.7	0.0	14.7
Adjustment for Job Creation Act				0.0			0.0
35.00% --Federal Tax	144.2	97.4	241.6	(185.1)	426.7	(6.3)	433.0
TOTAL INCOME TAX	189.4	123.5	312.9	(231.9)	544.8	(21.2)	566.0
AT PROPOSED RATES:							
Total Operating Revenues	11,632.2	(437.2)	11,195.0	941.7	10,253.3	383.3	9,870.0
Operating Expenses	7,903.5	(292.7)	7,610.8	365.3	7,245.5	227.3	7,018.2
Interest on LTD	1,057.3	(37.6)	1,019.8	164.5	855.3	(12.4)	867.6
Book Depr'n (w/ G.O.)	(1,681.4)	32.1	(1,649.3)	(98.8)	(1,550.5)	3.6	(1,554.1)
Total Deductions	7,279.5	(298.1)	6,981.3	431.0	6,550.3	218.6	6,331.7
State Tax Depreciation	(1,629.0)	32.6	(1,596.5)	(99.4)	(1,497.1)	(21.3)	(1,475.8)
Other State Schedule M	59.6	(4.6)	55.1	(0.1)	55.1	110.1	(55.0)
8.84% --State Tax	246.0	(9.8)	236.2	36.3	199.9	21.7	178.2
Book Depr'n (w/ G.O.)	(1,681.4)	32.1	(1,649.3)	(98.8)	(1,550.5)	3.6	(1,554.1)
Tax Depr. - Flow Through	(31.0)	0.0	(31.0)	0.0	(31.0)	0.0	(31.0)
State Tax Deduction	(45.2)	(15.9)	(61.1)	0.0	(61.1)	106.3	(167.4)
Other Fed Schedule M	74.0	(4.6)	69.4	(0.1)	69.5	138.9	(69.4)
Def Rev Amort - Contrib	14.7	0.0	14.7	0.0	14.7	0.0	14.7
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	939.4	(44.6)	894.8	144.2	750.6	140.6	610.0
TOTAL INCOME TAX	1,185.4	(54.4)	1,131.0	180.5	950.5	162.3	788.2

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Simi Valley A.10-01-009
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:				GSWC > DRA			
Operating Revenues	12,211.1	(893.7)	11,317.5	0.0	11,317.5	(985.2)	12,302.7
Oper. & Maint. Expenses							
Purchased Water	7,435.2	(668.0)	6,767.3	0.0	6,767.3	(136.6)	6,903.9
Purchased Power	222.7	(9.4)	213.3	0.0	213.3	97.5	115.8
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	2.9	0.0	2.9	0.0	2.9	0.0	2.9
Common Cust. Acct. (G.O.)	126.6	0.0	126.6	13.9	112.7	(0.0)	112.7
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	28.1	(2.1)	26.1	0.0	26.1	(2.3)	28.3
Oper-Labor	324.9	0.0	324.9	6.3	318.7	(0.0)	318.7
Oper-Others	156.7	(10.4)	146.3	0.0	146.3	26.3	120.0
Maint-Labor	61.5	0.0	61.5	1.2	60.4	(0.0)	60.4
Maint-Others	56.5	0.0	56.5	0.0	56.5	0.0	56.5
A&G Expenses							
Office Supplies	85.5	0.0	85.5	0.0	85.5	0.0	85.5
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	29.2	0.0	29.2	0.0	29.2	0.0	29.2
Pension & Benefits	174.5	0.0	174.5	0.0	174.5	0.0	174.5
Business Meals	1.5	0.0	1.5	0.0	1.5	0.0	1.5
Regulatory Comm	96.0	(33.2)	62.8	0.0	62.8	29.1	33.7
Outside Services	5.4	0.0	5.4	0.0	5.4	0.0	5.4
Misc	7.2	0.0	7.2	0.0	7.2	0.0	7.2
Alloc Gen Office	1,101.7	0.0	1,101.7	222.7	879.0	0.0	879.0
Alloc Centralized Ops(COPS)	323.8	0.0	323.8	18.3	305.5	0.0	305.5
Alloc District Office	217.3	11.6	228.9	2.5	226.4	1.6	224.8
Maintenance	7.3	0.0	7.3	0.0	7.3	0.0	7.3
Rent	46.4	0.0	46.4	0.0	46.4	0.0	46.4
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	68.8	0.0	68.8	1.3	67.5	(0.0)	67.5
Depreciation	761.9	(6.8)	755.0	23.0	732.1	(0.4)	732.5
Other Taxes							
Property Taxes	126.9	(1.6)	125.3	5.7	119.7	1.4	118.3
Payroll Taxes	36.7	0.0	36.7	0.7	36.0	0.0	36.0
Local Taxes	160.5	(11.7)	148.7	0.0	148.7	(13.0)	161.7
Income Taxes	96.5	(68.9)	27.6	(149.7)	177.2	(352.3)	529.5
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	11,762.3	(800.5)	10,961.8	145.9	10,815.9	(348.0)	11,163.9
Net Operating Revenues	448.8	(93.2)	355.6	(145.9)	501.5	(637.2)	1,138.8
Rate Base	10,222.9	(312.6)	9,910.4	1,238.9	8,671.4	216.7	8,454.7
Rate of Return	4.39%		3.59%		5.78%		13.47%
AT PROPOSED RATES:							
Operating Revenues	13,044.9	(775.9)	12,269.0	462.8	11,806.2	106.2	11,700.0
Uncollectibles	30.0	(1.8)	28.3	1.1	27.2	0.2	26.9
Local Taxes	171.4	(10.2)	161.2	6.1	155.2	1.4	153.8
Income Taxes	456.4	(18.1)	438.3	50.1	388.2	115.5	272.7
Adjustment to match DRA report							
Total Expenses After Taxes	12,135.1	(747.8)	11,387.3	352.8	11,034.5	87.2	10,947.3
Net Operating Revenues	909.8	(28.1)	881.7	110.0	771.7	19.0	752.7
Rate Base	10,222.9	(312.6)	9,910.4	1,238.9	8,671.4	216.7	8,454.7
Rate of Return	8.90%		8.90%		8.90%		8.90%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Simi Valley A.10-01-009
TEST YEAR 2011

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	12,211.1	(893.7)	11,317.5	0.0	11,317.5	(985.2)	12,302.7
Operating Expenses	11,665.8	(731.5)	10,934.3	295.5	10,638.7	3.5	10,635.2
Interest on LTD	378.2	(11.6)	366.7	45.8	320.8	0.2	320.6
Book Depr'n (w/ G.O.)	(842.5)	6.8	(835.7)	(23.8)	(811.9)	1.3	(813.2)
Total Deductions	11,201.6	(736.3)	10,465.3	317.6	10,147.7	5.0	10,142.7
State Tax Depreciation	(772.6)	6.9	(765.7)	(23.3)	(742.4)	(9.9)	(732.5)
Other State Schedule M	64.1	(4.9)	59.2	(0.1)	59.3	118.5	(59.2)
8.84% --State Tax	26.6	(13.7)	12.9	(30.1)	43.0	(78.0)	121.0
Book Depr'n (w/ G.O.)	(842.5)	6.8	(835.7)	(23.8)	(811.9)	1.3	(813.2)
Tax Depr. - Flow Through	(27.3)	0.0	(27.3)	0.0	(27.3)	0.0	(27.3)
State Tax Deduction	(26.6)	(2.4)	(29.0)	0.0	(29.0)	55.6	(84.6)
Other Fed Schedule M	79.6	(4.9)	74.7	(0.1)	74.8	149.5	(74.7)
Def Rev Amort - Contrib	7.0	0.0	7.0	0.0	7.0	0.0	7.0
Adjustment for Job Creation Act 35.00% --Federal Tax	69.9	(55.2)	14.7	(119.5)	134.2	(274.3)	408.5
TOTAL INCOME TAX	96.5	(68.9)	27.6	(149.6)	177.2	(352.3)	529.5
AT PROPOSED RATES:							
Total Operating Revenues	13,044.9	(775.9)	12,269.0	462.8	11,806.2	106.2	11,700.0
Operating Expenses	11,678.7	(729.7)	10,949.0	302.7	10,646.3	11.0	10,635.2
Interest on LTD	378.2	(11.6)	366.7	45.8	320.8	0.2	320.6
Book Depr'n (w/ G.O.)	(842.5)	6.8	(835.7)	(23.8)	(811.9)	1.3	(813.2)
Total Deductions	11,214.4	(734.5)	10,480.0	324.8	10,155.2	12.5	10,142.7
State Tax Depreciation	(772.6)	6.9	(765.7)	(23.3)	(742.4)	(9.9)	(732.5)
Other State Schedule M	64.1	(4.9)	59.2	(0.1)	59.3	118.5	(59.2)
8.84% --State Tax	99.2	(3.5)	95.7	10.1	85.6	15.9	69.7
Book Depr'n (w/ G.O.)	(842.5)	6.8	(835.7)	(23.8)	(811.9)	1.3	(813.2)
Tax Depr. - Flow Through	(27.3)	0.0	(27.3)	0.0	(27.3)	0.0	(27.3)
State Tax Deduction	(26.6)	(2.4)	(29.0)	0.0	(29.0)	55.6	(84.6)
Other Fed Schedule M	79.6	(4.9)	74.7	(0.1)	74.8	149.5	(74.7)
Def Rev Amort - Contrib	7.0	0.0	7.0	0.0	7.0	0.0	7.0
Adjustment for Job Creation Act 35.00% --Federal Tax	357.2	(14.6)	342.6	40.0	302.6	99.6	203.0
TOTAL INCOME TAX	456.4	(18.1)	438.3	50.1	388.2	115.5	272.7

APPENDIX A

RECONCILIATION EXHIBIT
 GOLDEN STATE WATER COMPANY
 Coastal District Office A.10-01-009
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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA

AT PRESENT RATES:	GSWC > DRA						
Operating Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (G.O.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (District)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oper-Labor	1.2	0.0	1.2	0.0	1.2	(0.0)	1.2
Oper-Others	2.1	0.0	2.1	0.0	2.1	(0.0)	2.1
Maint-Labor	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maint-Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Expenses							
Office Supplies	33.0	0.0	33.0	0.0	33.0	0.0	33.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	11.5	0.0	11.5	0.0	11.5	(0.0)	11.5
Pension & Benefits	150.8	0.0	150.8	0.0	150.8	(0.0)	150.8
Business Meals	2.4	0.0	2.4	0.0	2.4	(0.0)	2.4
Regulatory Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outside Services	29.0	(3.2)	25.8	0.0	25.8	4.0	21.8
Misc	1.3	0.0	1.3	0.0	1.3	(0.0)	1.3
Alloc Gen Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc Centralized Ops(COPS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc District Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance	0.4	0.0	0.4	0.0	0.4	0.0	0.4
Rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	295.4	0.0	295.4	5.7	289.7	0.1	289.7
Depreciation	12.4	(0.1)	12.4	(0.0)	12.4	(0.0)	12.4
Other Taxes							
Property Taxes	0.5	0.0	0.5	0.0	0.5	(0.0)	0.5
Payroll Taxes	23.9	0.0	23.9	0.5	23.5	(0.0)	23.5
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment of GO Capitalized Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	563.8	(3.2)	560.6	6.2	554.4	3.9	550.5
Net Operating Revenues	(563.8)	3.2	(560.6)	(6.2)	(554.4)	(3.9)	(550.5)
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Settlement
Appendix B
Region I: 2010 Capital Budget

Description		GSWC	DRA	SETTLEMENT
Northern District Office				
57-	Contingency	2,580	175	88
	TOTAL CONTINGENCY	2,580	175	88
B-09-	Office Furniture and Equipment - Northern District relocation to Operations facility (with Arden Cordova CSA)	11,000	-	-
B-09-	Office Furniture and Equipment - Northern District/Arden Cordova CSA SOLA System	11,300	-	-
B-11-	Tools & Safety Equipment	3,500	3,500	3,500
	TOTAL BLANKETS	25,800	3,500	3,500
	TOTAL NET COST	28,380	3,675	3,588

Arden Cordova				
Arden				
51-	Morse Plant - site improvements	120,600	2,300	65,000
Cordova				
51-	Filter Media Replacement - South 1	118,700	103,200	113,600
51-	Filter Media Replacement - South 4	134,600	117,000	128,800
	TOTAL WATER SUPPLY	373,900	222,500	307,400
52-	Install Inverts along Folsom Blvd in coordination with City Storm Drain/Street Improvement Project	100,000	100,000	100,000
52-	Misc Street Improvements	32,500	32,500	32,500
	TOTAL STREET IMPROVEMENTS	132,500	132,500	132,500
Cordova				
53-	310' of 12" DIP, Highway 50 crossing - south of Gold River Rd and Pyrites Way	128,200	113,000	123,100
53-	1,100' of 12" DIP and 400' of 8" DIP, Malaga Way - Paseo Dr to Dawes St	425,900	-	Litigated
53-	1,200' of 8" DIP, Chase Dr - Holmes Way to Rinda Dr	292,400	-	Litigated
53-	800' of 8" DIP, Dawes St - Rinda Dr to north of Newton Way	226,900	-	Litigated
53-	500' of 8" DIP, Rinda Dr - Dawes St to Chase Dr	161,600	-	Litigated
53-	700' of 8" DIP, Holmes Way - Newton Way to Chase Dr	214,800	-	Litigated
53-	75' of 8" DIP, El Cerco Ct	85,600	-	Litigated
53-	75' of 8" DIP, El Cedro Ct	92,400	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	1,627,800	113,000	123,100
55-	Urban Water Management Plan - Cordova System	100,000	37,000	55,000
	MISCELLANEOUS	100,000	37,000	55,000
57-	Contingency	53,800	20,865	12,135
	TOTAL CONTINGENCY	53,800	20,865	12,135
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	154,100	121,800	137,950
B-02-	Services	198,100	168,300	182,200
B-02-	Meter Retrofits (1,000 Services)	-	-	-
B-06-	Minor Main Replacements	32,500	29,600	31,800
B-07-	Minor Pumping Plant Equipment	10,200	9,300	10,000
B-07-	Misc Bowl Replacement	47,000	31,700	39,350
B-08-	Minor Purification Equipment	12,600	11,500	12,300
B-09-	Office Furniture and Equipment - Arden Cordova CSA relocation to Operations facility (with Northern District)	19,000	-	15,000
B-09-	Office Furniture and Equipment - new phone system for CSA office	8,000	-	-
B-09-	Office Furniture and Equipment - computers for 8 field staff	10,700	-	10,700
B-09-	Office Furniture and Equipment	-	-	-
B-10-	Vehicle Replacement (Superintendent, Vehicle No. 1172; 252,158 miles projected by 12/31/10)	31,900	31,900	31,900
B-11-	Tools & Safety Equipment	13,900	13,200	14,200
	TOTAL BLANKETS	536,000	417,300	485,400
	TOTAL	2,848,800	968,165	1,140,535

Bay Point				
51-	Marcia Booster Station - Replace pump house and add hydropneumatic tank	17,800	15,900	17,100
	TOTAL WATER SUPPLY	17,800	15,900	17,100
52-	Misc Street Improvements	21,500	21,500	21,500
	TOTAL STREET IMPROVEMENTS	21,500	21,500	21,500
53-	400' of 8" DIP, Sycamore Ct - north from Willow Pass Road	124,300	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	124,300	-	-
55-	Urban Water Management Plan	100,000	-	55,000
	MISCELLANEOUS	100,000	-	55,000

**Settlement
Appendix B
Region I: 2010 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
57-	Contingency	38,028	16,974	9,167
	TOTAL CONTINGENCY	38,028	16,974	9,167
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	17,800	16,200	17,400
B-02-	Services	272,000	247,700	266,300
B-06-	Minor Main Replacements	62,400	56,800	61,100
B-07-	Minor Pumping Plant Equipment	3,100	2,800	3,000
B-07-	Misc Bowl Replacement	11,000	2,900	5,000
B-08-	Minor Purification Equipment	7,100	6,500	7,000
B-09-	Office Furniture and Equipment - 2 new computer systems in CSA	2,675	2,675	2,675
B-11-	Tools & Safety Equipment	4,200	3,900	4,200
	TOTAL BLANKETS	380,275	339,475	366,675
	TOTAL NET COST	686,903	398,849	474,442

Clearlake

51-	Oakcrest Reservoir - recoat interior	126,700	110,500	121,300
51-	Sonoma Plant - GAC change out	72,200	62,800	69,100
	TOTAL WATER SUPPLY	198,900	173,300	190,400
52-	Misc Street Improvements	2,300	2,300	2,300
	TOTAL STREET IMPROVEMENTS	2,300	2,300	2,300
53-	950' of 8" PVC, San Joaquin Dr - Lakeshore Dr to Parkview Dr	224,600	196,400	215,200
	TOTAL DISTRIBUTION IMPROVEMENTS	224,600	196,400	215,200
57-	Contingency	19,520	6,940	4,331
	TOTAL CONTINGENCY	19,520	6,940	4,331
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	14,500	13,200	14,200
B-02-	Services	117,600	107,100	115,200
B-06-	Minor Main Replacements	47,400	8,900	28,150
B-07-	Minor Pumping Plant Equipment	2,300	2,300	2,300
B-07-	Misc Bowl Replacement	6,000	-	6,000
B-08-	Minor Purification Equipment	1,200	1,100	1,200
B-11-	Tools & Safety Equipment	6,200	6,200	6,200
	TOTAL BLANKETS	195,200	138,800	173,250
	TOTAL NET COST	645,520	522,740	590,481

Coastal District Office

57-	Contingency	10,077	5,038	2,519
	TOTAL CONTINGENCY	10,077	5,038	2,519
B-09-	Crew's Quarters Improvements	4,500	4,500	4,500
B-09-	Office Furniture and Equipment for WQ in Los Osos	2,500	2,500	2,500
B-10-	New Pool Vehicle/Truck for WQ in Los Osos Office	41,936	41,936	41,936
B-10-	Replace Vehicle 1027 - 3/4 Ton Service Vehicle - 12/10 Projected Mileage = 121,111	46,130	46,130	46,130
B-11-	Tools & Safety Equipment	3,700	3,700	3,700
B-11-	Hach DR890 - WQ Handheld Instrument	2,000	2,000	2,000
	TOTAL BLANKETS	100,766	100,766	100,766
	TOTAL NET COST	110,843	105,804	103,285

Los Osos

50-	Edna Road System Edna System - Acquire Land for Well Site	639,800	-	Litigated
	TOTAL LAND	639,800	-	-
51-	Edna Road System Drill and Equip Replacement Well for Country Club Los Osos System	1,911,900	-	Litigated
51-	Los Olivos Plant - replace booster pump	35,300	-	-
51-	Rosina Blending Project	400,200	400,200	375,100
	TOTAL WATER SUPPLY	2,347,400	400,200	375,100

Settlement
Appendix B
Region I: 2010 Capital Budget

	Description	GSWC	DRA	SETTLEMENT
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
57-	Contingency	26,573	8,432	6,161
	TOTAL CONTINGENCY	26,573	8,432	6,161
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	19,500	17,800	19,100
B-02-	Services	28,100	27,500	29,500
B-06-	Minor Main Replacements	5,000	-	-
B-06-	Misc Valve Replacements	5,000	5,000	5,000
B-06-	Misc Hydrant Replacements	7,500	7,500	7,500
B-07-	Minor Pumping Plant Equipment	800	800	800
B-07-	Misc Bowl Replacement	75,000	46,800	60,900
B-08-	Minor Purification Equipment	2,700	2,500	2,700
B-09-	Desktop PC for Country Club Plant and Refrigerator for CSA office	3,000	3,000	3,000
B-10-	Replace Vehicle 987 - Truck - 12/10 Projected Mileage = 132,537	46,130	46,130	46,130
B-10-	Trailer Mounted Valve & Vac Machine	60,000	-	60,000
B-11-	Tools & Safety Equipment	4,000	2,600	2,800
B-11-	Portable Valve Machine	9,000	9,000	9,000
	TOTAL BLANKETS	265,730	168,630	246,430
	TOTAL NET COST	3,294,503	592,262	642,691

Ojai

51-	San Antonio - Remove and Replace Forebay with 0.5 MG Tank	1,129,700	1,129,700	1,083,700
51-	Mutual Well #6 - Drill and Equip Well (Design)	265,900	-	Litigated
	TOTAL WATER SUPPLY	1,395,600	1,129,700	1,083,700
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
53-	Country Club Drive - Ojai Ave to Amber Lane (≈ 2,400 FT)	601,200	-	Litigated
53-	Palomar Road - El Toro Road to El Camino Road (≈ 1,400 FT)	335,400	335,400	321,500
53-	Foothill Blvd - Valley View Booster Station to Heidelberger Tank (≈ 3,300 FT) (Design)	64,700	64,700	63,200
	TOTAL DISTRIBUTION IMPROVEMENTS	1,001,300	400,100	384,700
57-	Contingency	59,290	20,570	12,999
	TOTAL CONTINGENCY	59,290	20,570	12,999
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	28,700	21,000	22,600
B-02-	Services	154,200	117,500	126,300
B-06-	Minor Main Replacements	89,000	-	74,300
B-06-	Hydrant Replacements	12,000	12,000	12,000
B-06-	Valve Replacements	40,000	40,000	40,000
B-07-	Minor Pumping Plant Equipment	6,000	5,500	5,900
B-07-	Misc Bowl Replacement	120,000	106,200	114,200
B-08-	Minor Purification Equipment	2,000	300	1,150
B-09-	Office Furniture and Equipment	30,000	1,900	15,000
B-10-	Purchase backhoe	85,000	85,000	85,000
B-11-	Tools & Safety Equipment	21,000	21,000	21,000
B-12-	New Roof for Signal Booster Pump House	5,000	1,000	2,500
	TOTAL BLANKETS	592,900	411,400	519,950
	TOTAL NET COST	3,064,090	1,976,770	2,016,349

Santa Maria

50-	Sisquoc			
	Foxencanyon Well #5 - Acquire Land for New Well	366,400	-	Litigated
	TOTAL LAND	366,400	-	-
	Lake Marie			
51-	Vineyard Well #6 - Drill and Equip Well	2,080,800	-	Litigated
	Tanglewood			
51-	Foxencanyon #5 - Drill and Equip Well (Design)	265,900	-	Litigated
	TOTAL WATER SUPPLY	2,346,700	-	-
	Orcutt			
52-	Bradley Road - Lower Watermain	154,700	154,700	130,300

Settlement
Appendix B
Region I: 2010 Capital Budget

	Description	GSWC	DRA	SETTLEMENT
52-	Dakota Drive Scrub Seal	14,300	14,300	13,800
	TOTAL STREET IMPROVEMENTS	169,000	169,000	144,100
	Orcutt			
53-	Park Ave - South Broadway Street to South Pacific Street (= 1,200 FT)	366,900	-	Litigated
53-	South Pacific Street - Park Ave to Union Ave (= 800 FT)	209,900	-	Litigated
53-	East Clark Ave - South Pacific Street to Norris Ave (= 2,000 FT)	545,000	545,000	489,000
53-	North Ave - South Broadway Street to South Pacific Street (= 750 FT)	203,600	-	Litigated
	Sisquoc			
53-	Depot Road, Foxen Canyon Rd and Dome St (= 2,150 FT) (Design)	49,300	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	1,374,700	545,000	489,000
	Tanglewood			
54-	Tanglewood #1 - Purchase IX Unit	614,300	273,302	273,302
	WATER QUALITY	614,300	273,302	273,302
55-	Urban Water Management Plan - Orcutt System	100,000	31,200	55,000
	MISCELLANEOUS	100,000	31,200	55,000
57-	Contingency	114,530	38,806	27,525
	TOTAL CONTINGENCY	114,530	38,806	27,525
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	147,800	134,500	144,700
B-02-	Services	268,800	244,700	263,200
B-06-	Minor Main Replacements	16,400	15,000	16,100
B-06-	Hydrant Replacements	15,000	15,000	15,000
B-06-	Valve Replacements	15,000	15,000	15,000
B-07-	Minor Pumping Plant Equipment - Soft Start for Kenneth #1	12,000	12,000	12,000
B-07-	Misc Bowl Replacement	217,500	196,000	210,772
B-08-	Minor Purification Equipment	12,000	8,300	10,150
B-09-	Office Furniture and Equipment	44,375	3,300	22,188
B-10-	Replace Vehicle 862 - Truck - 12/10 Projected Mileage = 145,874	46,130	46,130	46,130
B-10-	Replace Vehicle 1150 - 4 Door Sedan - 12/10 Projected Mileage = 142,112	25,162	25,162	25,162
B-10-	Replace Vehicle 988 - Truck - 12/10 Projected Mileage = 150,155	46,130	46,130	46,130
B-10-	Replace 15 year old Backhoe - VID #373	85,000	-	Litigated
B-10-	Replace Dump Truck #870	120,000	-	Litigated
B-10-	Replace Backhoe Trailer	50,000	-	Litigated
B-11-	Portable Valve Operator	9,000	9,000	9,000
B-11-	Tools & Safety Equipment	15,000	5,900	10,450
	TOTAL BLANKETS	1,145,297	776,122	845,982
	TOTAL NET COST	6,255,927	1,858,430	1,859,908

Simi Valley

51-	Katherine Plant - install booster pump and enclosure	360,900	-	309,000
51-	Lautenschlager and Tapo Tanks - Seismic Upgrades	450,900	450,900	432,600
51-	Niles Plant - efficiency improvements (Design)	55,600	55,600	54,300
	TOTAL WATER SUPPLY	867,400	506,500	795,900
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
53-	Niles Street - 550' of 12" DIP and Sebring Street - 1330' of 8" DIP	496,700	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	496,700	-	-
55-	Urban Water Management Plan	100,000	36,400	55,000
	MISCELLANEOUS	100,000	36,400	55,000
57-	Contingency	34,886	11,193	6,792
	TOTAL CONTINGENCY	34,886	11,193	6,792
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	91,500	62,700	67,400
B-02-	Services	30,800	25,700	27,600
B-06-	Minor Main Replacements	5,000	-	-
B-06-	Hydrant Replacements	7,500	7,500	7,500
B-06-	Valve Replacements	4,000	4,000	4,000
B-07-	Minor Pumping Plant Equipment	2,500	500	600

Settlement
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Region I: 2010 Capital Budget

	Description	GSWC	DRA	SETTLEMENT
B-07-	Misc Bowl Replacement	110,000	15,100	55,000
B-08-	Minor Purification Equipment	300	300	300
B-10-	Replace Vehicle 751 - Truck - 12/10 Projected Mileage = 130,626	46,130	46,130	46,130
B-10-	Replace Vehicle 1098 - Truck - 12/10 Projected Mileage = 147,675	46,130	46,130	46,130
B-11-	Tools & Safety Equipment	5,000	15,800	17,000
	TOTAL BLANKETS	348,860	223,860	271,660
	TOTAL NET COST	1,882,846	812,953	1,164,352

**Settlement
Appendix B
Region I: 2011 Capital Budget**

Description		GSWC	DRA	SETTLEMENT
Northern District Office				
57-	Contingency	4,670	2,335	1,168
	TOTAL CONTINGENCY	4,670	2,335	1,168
B-10-	Vehicle Replacement (District Manager, Vehicle No. 2000; 131,684 miles projected by 12/31/11)	43,900	43,900	43,900
B-11-	Tools & Safety Equipment	2,800	2,800	2,800
	TOTAL BLANKETS	46,700	46,700	46,700
	TOTAL NET COST	51,370	49,035	47,868

Arden Cordova				
	Cordova			
51-	Pyrites Treatment Plant - install pressure transducers	32,100	27,300	30,500
51-	Pyrites Treatment Plant - effluent booster pumps	131,200	110,300	124,500
51-	Pyrites Treatment Plant - anionic polymer feed system	99,400	84,700	94,700
51-	Gilbert, El Segundo and Marcel Plants - destroy wells	189,000	158,400	179,400
51-	Filter Media Replacement - North 6	126,400	104,900	119,700
51-	Filter Media Replacement - South 2	126,400	104,900	119,700
	TOTAL WATER SUPPLY	704,500	590,500	668,500
52-	Misc Street Improvements	32,500	32,500	32,500
	TOTAL STREET IMPROVEMENTS	32,500	32,500	32,500
Arden				
53-	1,390' of 8" DIP, Morse Ave and Northrop Ave	306,700	-	Litigated
53-	725' of 8" DIP, Morse Ave - Hempstead Rd to Amberwood Rd	238,900	-	Litigated
53-	1,250' of 8" DIP, Morse Ave and Cottage Way	310,100	-	Litigated
Cordova				
53-	Pinetree Ct - install flushing hydrant	11,700	9,900	11,100
53-	200' of 8" DIP, Luella Ct - install flushing hydrant	120,600	-	Litigated
53-	Sunrise Blvd south of Zinfandel Dr - install flushing hydrant	10,000	8,500	9,500
53-	McGregor Dr at Folsom Blvd - install flushing hydrant	8,300	7,100	7,900
53-	Aramon Dr north of Folsom Blvd - install flushing hydrant	10,000	8,500	9,500
53-	Athens River Ct - install flushing hydrant	11,700	9,900	11,100
	TOTAL DISTRIBUTION IMPROVEMENTS	1,026,000	43,900	49,100
55-	Hydraulic Model Development - Coloma/Pyrites Treatment Plant	45,800	-	-
	MISCELLANEOUS	45,800	-	-
57-	Contingency	121,750	26,405	11,570
	TOTAL CONTINGENCY	121,750	26,405	11,570
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	164,100	123,700	143,900
B-02-	Services	208,800	171,000	189,900
B-02-	Meter Retrofits (1,000 Services)	700,000	121,100	Advice Letter
B-06-	Minor Main Replacements	34,600	30,000	33,500
B-07-	Minor Pumping Plant Equipment	10,800	9,400	10,500
B-07-	Misc Bowl Replacement	47,000	32,200	39,600
B-08-	Minor Purification Equipment	13,400	11,700	13,000
B-09-	Office Furniture and Equipment	17,900	15,600	17,400
B-11-	Tools & Safety Equipment	20,900	13,400	15,000
	TOTAL BLANKETS	1,217,500	528,100	462,800
	TOTAL NET COST	3,173,050	1,246,405	1,249,470

Bay Point				
51-	Hill Street Reservoir #3 - Repair and Replace Baffle	34,900	29,700	33,200
	TOTAL WATER SUPPLY	34,900	29,700	33,200
52-	Misc Street Improvements	21,500	21,500	21,500
	TOTAL STREET IMPROVEMENTS	21,500	21,500	21,500
53-	750' of 8" DIP, Manor Dr - Willow Pass Rd to Beverly Circle	208,400	175,300	198,000
	TOTAL DISTRIBUTION IMPROVEMENTS	208,400	175,300	198,000
57-	Contingency	40,240	17,155	9,608
	TOTAL CONTINGENCY	40,240	17,155	9,608
60-	New Business Funded by GSWC	5,000	5,000	5,000

**Settlement
Appendix B
Region I: 2011 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	18,900	16,400	18,300
B-02-	Services	289,600	251,600	280,600
B-06-	Minor Main Replacements	66,400	57,700	64,400
B-07-	Minor Pumping Plant Equipment	3,300	2,900	3,200
B-07-	Misc Bowl Replacement	11,000	2,900	5,000
B-08-	Minor Purification Equipment	7,600	6,600	7,300
B-09-	Office Furniture and Equipment	1,100	1,100	1,100
B-11-	Tools & Safety Equipment	4,500	3,900	4,400
	TOTAL BLANKETS	402,400	343,100	384,300
	TOTAL NET COST	712,440	591,755	651,608

Clearlake

51-	Manchester Booster Station - replace booster	36,200	30,900	34,500
	TOTAL WATER SUPPLY	36,200	30,900	34,500
52-	Misc Street Improvements	2,300	2,300	2,300
	TOTAL STREET IMPROVEMENTS	2,300	2,300	2,300
53-	1,250' of 8" PVC, San Joaquin Dr - Parkview Dr to 12480 San Joaquin Dr	305,900	257,200	290,600
	TOTAL DISTRIBUTION IMPROVEMENTS	305,900	257,200	290,600
57-	Contingency	23,800	8,810	5,320
	TOTAL CONTINGENCY	23,800	8,810	5,320
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	15,500	13,400	15,000
B-02-	Services	125,300	108,800	121,400
B-06-	Minor Main Replacements	50,400	9,000	29,700
B-07-	Minor Pumping Plant Equipment	2,400	2,400	2,400
B-07-	Misc Bowl Replacement	1,300	-	1,300
B-08-	Minor Purification Equipment	1,300	1,100	1,300
B-09-	Office Furniture and Equipment	2,900	2,900	2,900
B-10-	Vehicle Replacement (Service Truck, Vehicle No. 1025; 122,900 miles projected by 12/31/11)	37,000	37,000	37,000
B-11-	Tools & Safety Equipment	1,900	1,600	1,800
	TOTAL BLANKETS	238,000	176,200	212,800
	TOTAL NET COST	611,200	480,410	550,520

Coastal District Office

57-	Contingency	3,553	1,777	888
	TOTAL CONTINGENCY	3,553	1,777	888
B-09-	Miscellaneous Office Furniture	5,000	5,000	5,000
B-10-	Replace Vehicle 1248 - 4 Door Sedan - 12/11 Projected Mileage = 138,926	26,632	26,632	26,632
B-11-	Tools & Safety Equipment	3,900	3,900	3,900
	TOTAL BLANKETS	35,532	35,532	35,532
	TOTAL NET COST	39,085	37,309	36,420

Los Osos

	Los Osos System			
51-	Bayview Plant - install quick connects and portable generator	118,300	118,300	112,400
51-	Pecho Plant - replace MCC and install SCADA	148,700	148,700	141,200
	TOTAL WATER SUPPLY	267,000	267,000	253,600
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
	Los Osos System			
53-	225' of 8" DIP, Skyline Drive - Fearn Avenue to Donna Avenue	94,800	-	Litigated
53-	100' of 8" DIP, Ash Street - west of Pine Avenue	77,100	-	Litigated
53-	200' of 8" DIP, Skyline Drive - Nancy Avenue to Aspen Street	91,300	-	Litigated
53-	350' of 8" DIP, Don Avenue - south of Binscarth Road to north of Binscarth Road	123,800	-	Litigated
53-	375' of 8" DIP, Broderson Avenue - north of Mitchell Avenue to north of Vine Street	115,900	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	502,900	-	-
57-	Contingency	23,854	7,002	5,411

**Settlement
Appendix B
Region I: 2011 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
	TOTAL CONTINGENCY	23,854	7,002	5,411
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	20,800	18,000	20,800
B-02-	Services	29,900	27,900	31,100
B-06-	Minor Main Replacements	5,500	-	-
B-06-	Misc Valve Replacements	5,500	5,500	5,500
B-06-	Misc Hydrant Replacements	8,000	8,000	8,000
B-07-	Minor Pumping Plant Equipment	900	900	900
B-07-	Misc Bowl Replacement	80,000	47,500	63,750
B-08-	Minor Purification Equipment	2,900	2,500	2,800
B-09-	Office Furniture and Equipment	3,500	400	1,950
B-10-	Replace Vehicle 1247 - Superintendent 4 Door Sedan - 12/11 Projected Mileage = 134,129	26,632	26,632	26,632
B-10-	Service Truck for New Water Distribution Operator I	52,003	-	52,003
B-11-	Tools & Safety Equipment	2,900	2,700	3,000
B-11-	Portable Valve Machine			
	TOTAL BLANKETS	238,535	140,032	216,435
	TOTAL NET COST	1,047,289	429,034	490,446

Ojai

51-	Mutual Well #6 - Drill and Equip Well (Design)	1,941,100	-	Litigated
	TOTAL WATER SUPPLY	1,941,100	-	-
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
53-	Foothill Blvd - Valley View Booster Station to Heidelberger Tank (= 3,300 FT) (Design)	692,900	692,900	656,100
53-	Fairview Road - Fairview Plant to Fairview Court (= 600 FT)	171,000	-	Litigated
53-	Fox Street and Bald Ave South of Ojai Ave (= 2,300 FT)	51,100	51,100	49,900
53-	Del Norte Road - South of the Fairview (= 1,000 FT)	27,400	27,400	26,800
	TOTAL DISTRIBUTION IMPROVEMENTS	942,400	771,400	732,800
57-	Contingency	54,720	15,600	10,511
	TOTAL CONTINGENCY	54,720	15,600	10,511
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	30,500	21,400	23,800
B-02-	Services	164,200	119,400	133,100
B-06-	Minor Main Replacements	78,800	-	78,300
B-06-	Hydrant Replacements	13,000	13,000	13,000
B-06-	Valve Replacements	42,000	42,000	42,000
B-07-	Minor Pumping Plant Equipment	6,400	5,600	6,200
B-07-	Misc Bowl Replacement	130,000	107,900	120,300
B-08-	Minor Purification Equipment	2,200	300	1,250
B-09-	Office Furniture and Equipment	27,600	2,000	2,000
B-10-	Service Truck for New Water Distribution Operator I	52,003	-	-
B-11-	Tools & Safety Equipment	500	400	450
	TOTAL BLANKETS	547,203	312,000	420,400
	TOTAL NET COST	3,500,423	1,114,000	1,178,711

Santa Maria

51-	Tanglewood			
	Tanglewood #3 - Drill and Equip Well (Design)	275,800	-	Litigated
	Sisquoc			
51-	Foxencanyon #5 - Drill and Equip Well (Design)	2,110,800	-	Litigated
	TOTAL WATER SUPPLY	2,386,400	-	-
	Orcutt			
52-	Miscellaneous Street Improvements	20,000	20,000	20,000
	TOTAL STREET IMPROVEMENTS	20,000	20,000	20,000
	Orcutt			
53-	Orcutt Road - Foster Road to Shirley Lane (= 1,500 FT)	35,100	-	Litigated
	Sisquoc			
53-	Depot Road, Foxen Canyon Rd and Dome St (= 2,150 FT) (Design)	535,300	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	570,400	-	-
57-	Contingency	84,010	35,620	19,608

Settlement
Appendix B
Region I: 2011 Capital Budget

	Description	GSWC	DRA	SETTLEMENT
	TOTAL CONTINGENCY	84,010	35,620	19,608
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	157,300	136,700	152,400
B-02-	Services	286,200	248,700	277,300
B-06-	Minor Main Replacements	17,500	15,200	18,900
B-06-	Hydrant Replacements	17,000	17,000	17,000
B-06-	Valve Replacements	17,000	17,000	17,000
B-07-	Minor Pumping Plant Equipment - Soft Start for Kenneth #1	15,000	15,000	15,000
B-07-	Misc Bowl Replacement	235,000	196,000	218,571
B-08-	Minor Purification Equipment	15,000	8,400	11,700
B-09-	Office Furniture and Equipment	25,000	3,400	3,400
B-10-	Replace Vehicle 1209 - Truck - 12/11 Projected Mileage = 134,708	49,003	49,003	49,003
B-11-	Tools & Safety Equipment	6,100	6,000	6,050
	TOTAL BLANKETS	840,103	712,403	784,324
	TOTAL NET COST	3,925,913	793,023	848,932

Simi Valley

51-	Niles Plant - efficiency improvements (Design)	464,800	464,800	440,100
51-	Lautenschlager Tanks - install cathodic protection system	26,700	26,700	25,400
51-	Sycamore Plant - install well enclosure	37,800	-	-
51-	Tapo Plant - destage Boosters C, D, and E, install flowmeter, install booster enclosures	153,500	-	76,750
	TOTAL WATER SUPPLY	682,800	491,500	542,250
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
53-	1,130' of 8" DIP, Lupin Street - Larch Street to Brower Street	347,200	-	Litigated
53-	1,130' of 8" DIP, Magnolia Street - Larch Street to Brower Street	347,200	-	Litigated
53-	1,130' of 8" DIP, Clover Street - Larch Street to Brower Street	347,200	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	1,041,600	-	-
57-	Contingency	19,890	6,850	3,738
	TOTAL CONTINGENCY	19,890	6,850	3,738
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	97,400	63,700	71,000
B-02-	Services	32,700	26,100	29,100
B-06-	Minor Main Replacements	5,500	-	-
B-06-	Hydrant Replacements	8,000	8,000	8,000
B-06-	Valve Replacements	4,500	4,500	4,500
B-07-	Minor Pumping Plant Equipment	2,700	500	600
B-07-	Misc Bowl Replacement	20,000	15,400	15,400
B-08-	Minor Purification Equipment	300	300	300
B-09-	Office Furniture and Equipment	3,500	2,400	2,700
B-11-	Tools & Safety Equipment	24,300	16,100	17,900
	TOTAL BLANKETS	198,900	137,000	149,500
	TOTAL NET COST	1,978,190	670,350	730,488

**Settlement
Appendix B
Region I: 2012 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
Northern District Office				
57-	Contingency	280	140	70
	TOTAL CONTINGENCY	280	140	70
B-11-	Tools & Safety Equipment	2,800	2,800	2,800
	TOTAL BLANKETS	2,800	2,800	2,800
	TOTAL NET COST	3,080	2,940	2,870
Arden Cordova				
	Cordova			
51-	Coloma Treatment Plant - grounding survey	98,800	-	Advice Letter
	TOTAL WATER SUPPLY			
52-	Misc Street Improvements	32,500	32,500	32,500
	TOTAL STREET IMPROVEMENTS	32,500	32,500	32,500
	Arden			
53-	200' of 8" DIP, Arden Way - 3333 Arden Way to Richmond St	116,100	-	Litigated
	Cordova			
53-	75' of 16" DIP, Kilgore Rd - Intersection of Kilgore Rd and Trade Center Dr	98,400	-	Litigated
53-	2,925' of 8" DIP, Chardonay Dr, Aramon Dr and Beclan Dr	1,010,500	-	Litigated
53-	Centerville Ct - install flushing hydrant	10,500	8,500	9,800
53-	Boulder Mine Way cul-de-sac - install flushing hydrant	10,500	8,500	9,800
53-	Summit Mine Ct - install flushing hydrant	10,500	8,500	9,800
	TOTAL DISTRIBUTION IMPROVEMENTS	1,256,500	25,500	29,400
54-	5-year Update to Coloma Chlorine Facilities PHA	8,000	8,000	8,000
	MISCELLANEOUS	8,000	8,000	8,000
57-	Contingency	154,030	26,405	11,875
	TOTAL CONTINGENCY	154,030	26,405	11,875
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	172,000	123,700	147,850
B-02-	Services	218,900	171,000	194,950
B-02-	Meter Retrofits (1,000 Services)	1,000,000	121,100	Advice Letter
B-06-	Minor Main Replacements	36,200	30,000	34,700
B-07-	Minor Pumping Plant Equipment	11,400	9,400	10,900
B-07-	Misc Bowl Replacement	47,000	32,200	39,600
B-08-	Minor Purification Equipment	14,100	11,700	13,500
B-09-	Office Furniture and Equipment	18,800	15,600	18,000
B-10-	Vehicle Replacement (Superintendent, Vehicle No. 1172; 252,158 miles projected by 12/31/10)	-	-	-
B-11-	Tools & Safety Equipment	21,900	13,400	15,500
	TOTAL BLANKETS	1,540,300	528,100	475,000
	TOTAL NET COST	3,115,130	645,505	581,775
Bay Point				
51-	Hill Street Reservoir Site - Raze Reservoirs #1 & #2	114,600	-	-
51-	Hill Street Reservoir #3 - Recoat Exterior	58,600	47,400	55,200
	TOTAL WATER SUPPLY	173,200	47,400	55,200
52-	Misc Street Improvements	21,500	21,500	21,500
	TOTAL STREET IMPROVEMENTS	21,500	21,500	21,500
57-	Contingency	42,130	17,155	9,958
	TOTAL CONTINGENCY	42,130	17,155	9,958
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	19,800	16,400	19,000
B-02-	Services	303,500	251,600	291,000
B-06-	Minor Main Replacements	69,800	57,700	66,700
B-07-	Minor Pumping Plant Equipment	3,500	2,900	3,300
B-07-	Misc Bowl Replacement	11,000	2,900	5,000
B-08-	Minor Purification Equipment	7,900	6,600	7,600
B-09-	Office Furniture and Equipment	1,200	1,100	1,100

**Settlement
Appendix B
Region I: 2012 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
B-11-	Tools & Safety Equipment	4,800	3,900	4,600
	TOTAL BLANKETS	421,300	343,100	398,300
	TOTAL NET COST	663,130	434,155	489,958

Clearlake

51-	Oakcrest Reservoir - install fence	85,400	5,000	30,000
51-	Oakcrest Booster Station - install additional booster	26,400	22,200	25,100
	TOTAL WATER SUPPLY	111,800	27,200	55,100
52-	Misc Street Improvements	2,300	2,300	2,300
	TOTAL STREET IMPROVEMENTS	2,300	2,300	2,300
53-	300' of 8" PVC, Manatee Ave - Pomo Rd to Scenic Rd	123,200	100,200	116,100
53-	100' of 8" PVC, Davis Ave - intersection of Davis Ave and Manchester Ave	72,500	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	195,700	100,200	116,100
54-	5-Year Update to Clearlake Sanitary Survey	20,000	20,000	20,000
	WATER QUALITY	20,000	20,000	20,000
57-	Contingency	21,060	6,970	4,559
	TOTAL CONTINGENCY	21,060	6,970	4,559
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	16,200	13,400	15,500
B-02-	Services	131,300	108,800	125,900
B-06-	Minor Main Replacements	52,900	9,000	30,950
B-07-	Minor Pumping Plant Equipment	2,500	2,500	2,500
B-07-	Misc Bowl Replacement	1,300	-	1,300
B-08-	Minor Purification Equipment	1,400	1,100	1,300
B-09-	Office Furniture and Equipment	3,000	3,000	3,000
B-11-	Tools & Safety Equipment	2,000	1,600	1,900
	TOTAL BLANKETS	210,600	139,400	182,350
	TOTAL NET COST	566,460	301,070	385,409

Coastal District Office

57-	Contingency	910	455	228
	TOTAL CONTINGENCY	910	455	228
B-09-	Miscellaneous Office Furniture	5,000	5,000	5,000
B-11-	Tools & Safety Equipment	4,100	4,100	4,100
	TOTAL BLANKETS	9,100	9,100	9,100
	TOTAL NET COST	10,010	9,555	9,328

Los Osos

51-	Edna Road System			
51-	Country Club Tanks - install lighting	29,400	-	-
51-	Country Club Plant - install lighting	87,500	87,500	82,300
	Los Osos System			
51-	Bayview Plant - recoat interior and exterior of reservoir and add cathodic protection	162,200	162,200	152,200
51-	Los Olivos Plant - recoat interior and exterior of reservoir and add cathodic protection	214,100	214,100	200,900
51-	Los Osos System - install fire hydrant isolation valves (10)	57,900	57,900	54,600
	TOTAL WATER SUPPLY	551,100	521,700	490,000
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
57-	Contingency	16,960	5,725	3,579
	TOTAL CONTINGENCY	16,960	5,725	3,579
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	21,800	18,000	20,900
B-02-	Services	31,300	27,900	32,300
B-06-	Minor Main Replacements	6,000	-	-
B-06-	Misc Valve Replacements	6,000	6,000	6,000
B-06-	Misc Hydrant Replacements	8,500	8,500	8,500

**Settlement
Appendix B
Region I: 2012 Capital Budget**

	Description	GSWC	DRA	SETTLEMENT
B-07-	Minor Pumping Plant Equipment	1,000	1,000	1,000
B-07-	Misc Bowl Replacement	85,000	47,500	66,250
B-08-	Minor Purification Equipment	3,000	2,500	2,900
B-09-	Office Furniture and Equipment	4,000	400	2,200
B-11-	Tools & Safety Equipment	3,000	2,700	3,100
	TOTAL BLANKETS	169,800	114,500	143,150
	TOTAL NET COST	752,660	656,925	651,729

Ojai				
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
53-	Fox Street and Bald Ave South of Ojai Ave (= 2,300 FT)	621,800	621,800	582,500
53-	Del Norte Road - South of the Fairview (= 1,000 FT)	224,600	224,600	210,400
	TOTAL DISTRIBUTION IMPROVEMENTS	846,400	846,400	792,900
57-	Contingency	57,626	18,403	9,442
	TOTAL CONTINGENCY	57,626	18,403	9,442
60-	New Business Funded by GSWC	5,000	5,000	5,000
	TOTAL NEW BUSINESS	5,000	5,000	5,000
B-01-	Meters	32,000	21,400	24,700
B-02-	Services	172,100	119,400	138,000
B-06-	Minor Main Replacements	82,600	-	81,200
B-06-	Hydrant Replacements	14,000	14,000	14,000
B-06-	Valve Replacements	45,000	45,000	45,000
B-07-	Minor Pumping Plant Equipment	6,700	5,600	6,400
B-07-	Misc Bowl Replacement	140,000	107,900	124,800
B-08-	Minor Purification Equipment	2,400	300	1,350
B-09-	Office Furniture and Equipment	28,900	2,000	2,000
B-10-	Replace Vehicle 1000 - Service Truck - 12/12 Projected Mileage = 122,472	52,055	52,055	52,055
B-11-	Tools & Safety Equipment	500	400	450
	TOTAL BLANKETS	576,255	368,055	489,955
	TOTAL NET COST	1,495,281	1,247,858	1,307,297

Santa Maria				
Lake Marie				
51-	Tanglewood #3 - Drill and Equip Well (Design)	2,542,200	-	Litigated
	TOTAL WATER SUPPLY	2,542,200	-	-
Orcutt				
52-	Miscellaneous Street Improvements	20,000	20,000	20,000
	TOTAL STREET IMPROVEMENTS	20,000	20,000	20,000
Orcutt				
53-	Orcutt Road - Foster Road to Shirley Lane (= 1,500 FT)	336,400	-	Litigated
	TOTAL DISTRIBUTION IMPROVEMENTS	336,400	-	-
57-	Contingency	88,406	36,073	20,495
	TOTAL CONTINGENCY	88,406	36,073	20,495
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	157,300	136,700	158,100
B-02-	Services	300,000	248,700	287,600
B-06-	Minor Main Replacements	18,300	15,200	17,600
B-06-	Hydrant Replacements	19,000	19,000	19,000
B-06-	Valve Replacements	19,000	19,000	19,000
B-07-	Minor Pumping Plant Equipment - Soft Start for Kenneth #1	17,000	17,000	17,000
B-07-	Misc Bowl Replacement	252,000	196,000	226,658
B-08-	Minor Purification Equipment	18,000	8,400	13,200
B-09-	Office Furniture and Equipment	25,000	3,400	3,400
B-10-	Replace Vehicle 1115 - Truck - 12/12 Projected Mileage = 125,170	52,055	52,055	52,055
B-11-	Tools & Safety Equipment	6,400	6,000	6,200
	TOTAL BLANKETS	884,055	721,455	819,813
	TOTAL NET COST	3,896,061	802,528	885,308

Simi Valley				
51-	Alamo Plant - replace vault lid and retaining wall	69,400	55,400	55,400

Settlement
Appendix B
Region I: 2012 Capital Budget

	Description	GSWC	DRA	SETTLEMENT
51-	Niles Plant - storage building	412,400	-	-
	TOTAL WATER SUPPLY	481,800	55,400	55,400
52-	Miscellaneous Street Improvements	10,000	10,000	10,000
	TOTAL STREET IMPROVEMENTS	10,000	10,000	10,000
57-	Contingency	29,084	10,912	5,881
	TOTAL CONTINGENCY	29,084	10,912	5,881
60-	New Business Funded by GSWC	25,000	25,000	25,000
	TOTAL NEW BUSINESS	25,000	25,000	25,000
B-01-	Meters	102,100	63,700	73,600
B-02-	Services	34,300	26,100	30,200
B-06-	Minor Main Replacements	6,000	-	-
B-06-	Hydrant Replacements	8,500	8,500	8,500
B-08-	Valve Replacements	5,000	5,000	5,000
B-07-	Minor Pumping Plant Equipment	2,800	500	600
B-07-	Misc Bowl Replacement	22,000	15,400	15,400
B-08-	Minor Purification Equipment	400	300	300
B-09-	Office Furniture and Equipment	4,000	2,400	2,800
B-10-	Replace Vehicle 67549 - Truck - 12/12 Projected Mileage = 139,150	52,055	52,055	52,055
B-10-	Replace Vehicle 67550 - 4 Door Sedan - 12/12 Projected Mileage = 126,842	28,188	28,188	28,188
B-11-	Tools & Safety Equipment	25,500	16,100	18,600
	TOTAL BLANKETS	290,843	218,243	235,243
	TOTAL NET COST	836,727	319,555	331,524

CERTIFICATE OF SERVICE

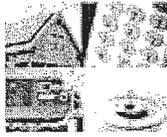
I hereby certify that I have this day served a copy of the

**JOINT MOTION OF GOLDEN STATE WATER COMPANY AND THE DIVISION OF
RATEPAYER ADVOCATES TO APPROVE SETTLEMENT AGREEMENT**

on all known parties to A. 10-01-009 by sending a copy via electronic mail and by mailing a properly addressed copy by first-class mail with postage prepaid to each party named in the official service list without an electronic mail address.

Executed on August 10, 2010, at San Francisco, California.

s/ Lisa Schuh
Lisa Schuh



California Public Utilities Commission

CPUC Home

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists

PROCEEDING: A1001009 - GOLDEN STATE WATER C
FILER: GOLDEN STATE WATER COMPANY
LIST NAME: LIST
LAST CHANGED: JULY 13, 2010

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