

# **ATTACHMENT A**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of GOLDEN STATE WATER COMPANY (U 133 W) for an order authorizing it to increase rates for water service by \$14,926,200 or 15.77% in 2007; by \$4,746,000 or 4.31% in 2008; and by \$6,909,300 or 6.02% in 2009 in its Region II Service Area.

Application 06-02-023

**JOINT MOTION TO ADOPT STIPULATION**

The Division of Ratepayer Advocates (DRA) of the California Public Utilities Commission (Commission) and applicant, Golden State Water Company (GSWC) (collectively, the "Parties"), have agreed on a resolution of various issues in this proceeding, as set forth in the attached Stipulation. The Parties hereby submit the Stipulation for approval and adoption pursuant to Rule 51 *et seq.* of the Commission's Rules of Practice and Procedure.

RECEIVED  
PUBLIC UTILITIES  
STATE OF CALIFORNIA  
2006 AUG -4 PM 4: 56  
DOCKET OFFICE

The Parties represent to the Commission that, pursuant to Rule 51.1(b), prior to entering into the Stipulation, the Parties convened a settlement conference on June 14 and 15, 2006, with notice and opportunity to participate provided to all parties, for the purpose of discussing settlement of the issues in this proceeding. Representatives of DRA and GSWC attended and participated in the settlement conference.

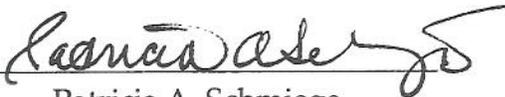
The Parties represent to the Commission that the Stipulation commands the sponsorship of two of the three parties to this proceeding – DRA and GSWC. The City of Claremont is not a party to the Stipulation. The Parties further represent to the Commission that they are fairly representative of all affected interests in this proceeding, that no term of this Stipulation contravenes any statutory provision or any decision of the Commission, and that the Stipulation, together with the record in this proceeding, conveys to the Commission sufficient information to permit the Commission to discharge its regulatory obligations with respect to the parties and their interests.

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

Dated: August 4, 2006

Respectfully submitted,

**GOLDEN STATE WATER COMPANY**

By   
Patricia A. Schmiede

O'Melveny & Myers LLP  
Embarcadero Center West  
275 Battery Street, 26<sup>th</sup> Floor  
San Francisco, California 94111  
Telephone: (415) 984-8700  
Facsimile: (415) 984-8701  
Email: pschmiede@omm.com  
Attorneys for Applicant  
Golden State Water Company

Dated: August 4, 2006

**DIVISION OF RATEPAYER ADVOCATES**

By   
Cleveland W. Lee

California Public Utilities Commission  
Legal Division  
505 Van Ness Avenue  
San Francisco, California 94102  
Telephone: (415) 703-1792  
Facsimile: (415) 703-2262  
Email: cwl@cpuc.ca.gov  
Attorneys for the Division of  
Ratepayer Advocates

**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 \$14,926,200 or 15.77% in  
the year 2007; by \$4,746,000 or 4.31% in  
2008; and by \$6,909,300 or 6.02% in 2009  
in its Region II Service Area.

Application No.  
06-02-023

**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 II Service Area and to update its General Office expenses and rate base, A. 06-02-023, pursuant to the description of the issues that are settled as set forth in the Hearing Transcript (Hr'g Tr.), vol 3, 209 et seq., and Exhibits 1 and 2 thereof.
- 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 February 14, 2006; made field tours of the water system, and appeared at Public Participation Hearings held in Placentia and Gardena. On May 25, 2007, DRA filed its "Report on the Results of Operations"; "Report on the General Office and Region II Headquarters"; and "Report on the Cost of Capital". On several occasions beginning on June 14, 2007, 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 II Capital Budgets
  - Appendix C – General Office Capital Budgets
- 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.

## 2.00 Plant

### 2.01 Region II Plant Additions

GSWC and DRA have resolved all of the differences regarding plant additions in GSWC's Region II. It should be noted that the issue of amount of overhead to be applied to the capital budget will not be finally determined until all of the litigated items have been resolved and the Commission has adopted the Parties' jointly proposed Stipulation. The stipulated capital budgets attached as Appendix B reflect the overhead rates that GSWC requested, 21.8% in 2006, 24.9% in 2007 & 22.1% in 2008.

### 2.02 General Office Plant Additions

GSWC and DRA have resolved the following differences regarding plant additions in GSWC's General Office. It should be noted that the issue of amount of overhead to be applied to the capital budget will not be finally determined until all of the litigated items have been resolved and the Commission has adopted the Parties' jointly proposed Stipulation. The stipulated items shown in the following table reflect the overhead rates that GSWC requested, 21.8% in 2006, 24.9% in 2007 & 22.1% in 2008:

2006 Plant Additions				
Description	Department	GSWC	DRA	Stipulation
Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,100	11,400	11,400
New Workstations (3) - Financial Analyst/Financial Mgr/Tax Analyst	ACCT / FINANCE	5,100	0	0
Desktop (6) Printers Replacement and (3) New for new employees	ACCT / FINANCE	6,700	2,233	2,233
Furniture Replacement	ACCT / FINANCE	6,200	0	0
Ph. 1 - Integrated Conservation Database	CONSERVATION	44,800	0	0
Replace PCs (25)	C S C	42,700	17,649	17,649
Retile & Refixture 2 Bathrooms	INFO. TECH.	58,000	0	0
Replace Counter Tops in Cafeteria, Mail area	INFO. TECH.	7,900	0	0
BancTec Cash Processing Unit w/Imaging	INFO. TECH.	357,900	0	0
Desk with return and Credenza (1) Manager	PREVENTIVE MAINT	3,100	0	2,400
High Back Task Chairs (2)	PREVENTIVE MAINT	2,600	0	2,000

Attachment A - A.06-02-023

2006 Plant Additions				
Description	Department	GSWC	DRA	Stipulation
PC Workstations Replacement w/monitor (1)	PREVENTIVE MAINT	1,700	0	1,300
New 5-drawer & 2-drawer lateral files	PREVENTIVE MAINT	2,400	0	1,900
Table with base and chairs	PREVENTIVE MAINT	3,100	0	2,400
Safety and Testing Equipment	RISK MANAGEMENT	28,000	5,700	14,000
GPS for Company Vehicles	SECURITY	217,600	0	72,500
Furniture Replacement - VP Water Quality	WATER QLTY.	13,400	0	0
Auto Replacement - 2000 Windstar Pool Van	INFO. TECH.	39,000	0	39,000

2007 Plant Additions				
Description	Department	GSWC	DRA	Stipulation
Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,800	11,867	11,867
Furniture Replacement	ACCT / FINANCE	4,300	0	0
Enterprise One - Additional Web Modules Upgrade	ACCT / FINANCE	68,700	0	34,350
ShowCase Vista - Software upgrade	ACCT / FINANCE	28,500	14,250	14,250
EAM Graphical Interface Enhancement	ACCT / FINANCE	62,500	0	31,250
Ph. 2 - Expansion of Integrated Conservation Database	CONSERVATION	101,400	0	0
Retile & Refixture 2 Bathrooms	INFO. TECH.	60,500	0	0
Replace Cafeteria Furniture	INFO. TECH.	5,700	0	0
Replace 12 year old Office Furniture	INFO. TECH.	27,100	0	0
Laser printer/fax/scanner/copier	PREVENTIVE MAINT	5,100	0	0
Safety and Testing Equipment	RISK MANAGEMENT	20,900	5,700	10,450
Compliance Software - Phase 1	WATER QLTY.	27,000	0	27,000
GPS for Company Vehicles	SECURITY	0	0	74,400
Auto Replacement 2002 WS Pool Van	INFO. TECH.	40,700	0	0

2008 Plant Additions				
DESCRIPTION	DEPARTMENT	GSWC	DRA	Stipulation
Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,800	11,867	11,867
Enterprise One - Software Upgrade	ACCT / FINANCE	67,200	33,600	33,600
HR Self Service enhancement	ACCT / FINANCE	61,100	30,550	30,550
Web Server (3) Upgrade	ACCT / FINANCE	30,400	0	15,200
Ph. 3 - Integrated Conservation Database	CONSERVATION	132,200	0	0
Replace 5 Workstations	INFO. TECH.	8,900	0	0
Safety and Testing Equipment	RISK MANAGEMENT	12,500	5,700	6,250
Compliance Software - Phase 2	WATER QLTY.	26,400	0	0
GPS for Company Vehicles	SECURITY	0	0	72,700

2.03 General Office Plant Additions Still At Issue – Parties agree that the need for certain capital projects that are directly related to the General Office labor positions still at issue in this rate case, should be resolved as discussed below.

2.04 Customer Service Center – Parties agree that if the Commission approves the addition of three customer service representatives in GSWC's Customer Service Center then the following capital additions and their costs indicated below should also be included in rates:

2006	Office Space for new Workstations	71,600
------	-----------------------------------	--------

2.05 Employee Development University – Parties agree that if the Commission approves the inclusion of the Employee Development University in rates then the following capital additions and their costs indicated below should also be included in rates:

2006	E-Learning Hosted on Internet (Harvard or E-Cornell)	39,400
2006	(2) Videoconference Systems (Bear Valley & Santa Maria)	26,700
2006	Develop/Purchase new training modules	26,000
2006	Laptop PC for EDU staff Off-site training replacement	3,600
2006	Adobe Creative Suites for EDU Staff PCs	4,800
2006	25 Classroom chairs replacement (G.O.)	12,700
2006	Staff PC replacements (3)	7,700
2006	Training videos to augment classroom learning (5)	6,400
2006	Database replacement PC	2,600
2007	E-Learning Hosted on Internet (Harvard or E-Cornell)	41,100
2007	Develop/purchase new training modules	29,400
2007	Online topics (electronic job aids) for field operations	34,500
2007	LCD Projector & Computer (Region II) Replacement PC Lab & Training Room	31,700
2007	Staff PC replacements (3)	8,100
2007	Training Videos (5)	7,400
2007	Printer for PC Lab (Region II)	2,600
2007	Document scanner w/feeder for Dean	2,400
2007	Career Development Online System	69,300
2008	E-learning Hosted on the Internet (Harvard and other vendors)	36,800
2008	Curriculum Development (Purchase/Development costs for Management and Operations Coursework)	59,400
2008	Replacement of EDU Portable LCD Projector for offsite training	6,600
2008	Video capture and editing software package	5,700
2008	Staff PC replacements (3)	8,100
2008	Training videos to augment classroom learning (5)	7,000
2008	Printers for training rooms and EDU common area (3)	3,200
2008	Region III training room tables and chairs replacement	44,200
2008	Handheld digital video camera	2,900

2008	Portable Easels for Classroom (3)	3,400
2008	Ergonomic Chairs for EDU Staff (3)	2,900
2008	Upgrade Videoconference systems for G.O. and Region I	27,800

- 2.06 Capital Projects Department – Parties agree that if the Commission approves the addition of the Capital Projects Department in rates then the following capital additions and their costs as indicated below should also be included in rates:

2006	Digital Overhead Projector	1,900
2006	Four (4) 4-drawer Lateral File Cabinets	4,500
2006	Primavera SureTrak Project Manager Software	22,200
2006	Digital camera	2,100
2006	Task Chairs (2)	1,100
2006	Workstation (1) - Replacement	1,700
2006	Auto Replacement - Replace vehicle #1100	34,500
2007	Desk with return & credenza - Replacement	3,200
2007	Lateral file cabinets (4)	4,600
2007	Workstation (1)	1,800
2007	Desk & task chair	600
2008	Laptop PCs (2)	6,700

- 2.07 Human Resources Department – Parties agree that if the Commission approves the inclusion in rates of the Senior Human Resources Specialist that is at issue in the case then the following capital additions and their costs indicated below should also be included in rates:

2006	Workstations - New (2)	3,400
2006	Office Workstations	10,400

- 2.08 Internal Audit Department – Parties agree that if the Commission approves the inclusion of the Internal Audit Department in rates then the following capital additions and their costs indicated below should also be included in rates:

2006	IBM Laptop PC for Senior Auditor	3,100
2006	Office Furniture Replacement	14,500
2006	Laserjet Printer	500
2008	Replace 2 Laptop Computers	6,400

- 2.09 Risk Management Department – Parties agree that if the Commission approves the inclusion of the Risk Manager position in rates then the following capital additions and their costs indicated below should also be included in rates:

2006	Workstation with furniture	10,200
2006	PC Workstations Replacement w/monitor (1)	1,700

- 2.10 Detail of General Office Capital Budgets – Attached as Appendix C is the detail of the General Office capital budgets, showing projects that are

settled and projects that are still at issue and the resolution is to be determined ("TBD") by the Commission.

### **Advice Letter Treatment**

- 2.11 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. Third, it was agreed upon that these advice letter projects only include the overhead rate that the Commission determines in this proceeding.

Bissell Well #1 – GSWC requested approval of \$203,500 in 2006 for design and permitting and \$2,381,100 for construction of a project to provide treatment of volatile organic compounds (VOC) at Bissell well #1 and for manganese treatment at Bissell well #2. DRA recommended \$87,656 in 2006 and \$1,025,871 to be included in rates at this time for completion of manganese treatment at Bissell Well #2. GSWC has applied for Proposition 50 funding for the VOC treatment for Bissell Well #1. Until it is known what funding, if any, GSWC will receive, the parties agree that this portion of the project for Bissell Well #1 should not yet be included in rates. Once the level of Proposition 50 funding for this project is determined, GSWC may file an advice letter to recover its costs, net of outside funding, capped at \$1,461,000

WB-01 Emergency Chlorination Station – GSWC requested \$83,000 in 2006 for design and permitting and \$389,500 in 2007 for construction costs to upgrade the existing WB-01 connection with MWD to include an emergency chlorination facility. Due to the uncertainty surrounding the granting of permits related to this project, parties agree that GSWC may file an advice letter, capped at \$472,500, once the construction of the project is complete.

- 2.12 Region II Construction Work in Progress – GSWC forecasted a Construction Work in Progress (CWIP) to be closed in 2006 of \$34,812,900. This amount included monies spent through 12/31/05 on pre-2006 projects and the remaining cost to complete these projects. DRA recommended a CWIP to be closed in 2006 in an amount in 2006 of \$19,642,600, based on the five year average of CWIP closed to Utility Plant in Service. In order to allow sufficient funding to complete projects in CWIP and lessen the impact to ratepayers, the Parties agree to include the \$34,812,909 in Plant in Service, which will be amortized over the years 2006, 2007 and 2008 as follows:

Year	2006	2007	2008	Total
Amount	14,511,408	10,150,750	10,150,750	\$34,812,900

- 2.13 General Office Construction Work in Progress – GSWC forecasted an amount of Construction Work in Progress (CWIP) to be closed in 2006 of \$1,509,784. This amount included monies spent through 12/31/05 on pre-2006 projects and the remaining cost to complete these projects. DRA recommended a CWIP to be closed in 2006 in an amount of \$428,144. After discussions, the Parties agree that it is reasonable to include \$900,000 in CWIP to be closed in 2006.

GSWC agrees with DRA's requests that in future GRC proceedings for CWIP to be closed (recorded plus additional forecast), such requests shall be supported by workpapers and testimony to facilitate DRA's review of the Company's forecast. Explanations will be provided to support the inclusion of abandoned and/or replacement projects.

#### **Other Ratebase Items**

- 2.14 Contingency (General Office & Region II Headquarters) – GSWC requested a capital budget contingency amount based on 5% of the capital budget excluding the proposed Customer Information System. In the Region II Headquarters GSWC requested a contingency budget based on 10% of the proposed capital budget. DRA recommended a 2.5% contingency for both of these offices. For settlement purposes Parties agree to a 2.5% contingency. The amount of contingency in the General Office will be calculated when all other outstanding items within the capital budget are resolved and approved in a Commission order.
- 2.15 Overhead – GSWC and DRA both calculated the overhead rate to be applied to capital budgets using similar methodologies, with some differences, particularly in relation to the amount of certain expense items to be booked into the overhead pool. After discussions between the GSWC and DRA witnesses the parties agree to the following:
- The Overhead Rates for both General Office and Region II General Rate Cases will be calculated based on the methodology submitted by GSWC witness Eva Tang as part of her prepared written direct testimony in this matter.
  - GSWC and DRA agree that the overhead rate to be applied to 2007 and 2008 capital budgets will be determined based on the finalized capital budgets and the capitalized expenses approved by the Commission in the final decision adopting the Parties' Stipulation.

- The (recalculated) rates will then be applied to the finalized capital budget (before overhead loading) to be included in the rate base.
- It is agreed between GSWC and DRA that at the end of each year, the Overhead Pool Account should be zeroed out. GSWC will develop a methodology that will allocate the balance of Overhead Pool Account (negative or positive) to work orders at the end of each year to achieve this objective. It is also agreed that the balance of the Overhead Pool at the end of each year should be allocated to jobs in all regions.

- 2.16 Operational Savings Related to Plant Additions – Parties agree to include a one-time operational savings of \$31,380 in 2007 and \$3,415 in 2008 as adjustments to expenses in the summary of earnings. Parties agree that these savings are not cumulative and therefore the 2008 summary of earnings should be adjusted to reflect the appropriate operational savings for that year.
- 2.17 Region II Plant Weighting Factor – GSWC used a 50% plant weighting factor. DRA used a 5-year average plant weighting factor. GSWC & DRA agree to use DRA's recommended plant weighting factors of 42.97%.
- 2.18 General Office & Region II Advances (Gross-Up) – DRA recommended to exclude from rate base the \$3,680,728 included in GSWC's application with respect to income taxes associated with the gross-up of taxable advances pursuant to D.87-09-026 (Method 5). The reason stated for recommending exclusion of the item was that GSWC had not provided "supporting calculations to vouch for the requested Advances-Gross ups amounts." Similarly, and for the same reason as cited above as well as not having provided a methodological rationale, DRA recommended "disallowing both the charges in General Office, and the [offsetting] credits in Region-II relating to Advances-Gross ups."

In GSWC's rebuttal testimony, calculation workpapers were provided along with methodological information from the Decision. Cross-referencing information was also provided between GSWC's calculation workpapers and the Decision's appendices to support that Method 5 was properly applied. Minor revisions were made to the amounts in the Application and the applicability of offsetting credits in Region II was made moot by virtue of the methodology reflected in the computational workpapers; consequently, GSWC stated that the credits in Region II would no longer be applicable if the revised figures were to be incorporated in the G.O.

GSWC and DRA have reached agreement that the amounts provided in GSWC's rebuttal testimony are accurate in view of Method 5 as provided by the Decision. As such GSWC and DRA agree to substitute the amounts in the Application for the G.O. with the following figures:

2006: \$3,550,646  
 2007: \$3,399,173  
 2008: \$3,250,726

and to remove the credits in the Application for Region II.

Further, to facilitate the application process, GSWC agrees to provide computational support and a narrative describing the application of Method 5 to GSWC's computational approach in future application filings. GSWC concurs with DRA's recommendation to develop a proposal that will facilitate a transition of the recording of this item from the General Office directly to the operating regions, and will include that proposal in a future rate case.

2.19 Depreciation Accrual Rates

GSWC and DRA utilized the same methodology and depreciation accrual rates to forecast plant depreciation. For Region II, DRA agreed with GSWC's depreciation rates for each of the individual plant categories, but disagreed with the composite accrual rate. DRA recommended a composite accrual rate for Region II of 2.67%, GSWC used a rate of 3.08%. After discussions the Parties agreed that a composite accrual rate of 2.89% was reasonable. In the General Office, GSWC used a composite accrual rate of 8.04%, which DRA accepted.

2.20 Working Cash Lag days

The difference between DRA's and GSWC's estimates for working cash is due to difference in lag days used for purchased water expense and regulatory commission expense. After discussions between the Parties GSWC and DRA agree to the following lag days in Region II:

<b>Metropolitan</b>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Purchased Water Expense	40.7	55.5	55.5
Regulatory Commission Expense	52.8	59.3	59.3

3.00 **Sales**

3.01 Customers (Connections)

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.

<b>Region II</b>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
<u>Customer Class</u>	2007	2007	2007
Commercial	98,184	98,184	98,184
Industrial	252	252	252
Public Authority	693	693	693
Irrigation	155	155	155
Resale	0	0	0
Reclaimed Water	39	39	39
Other	14	14	14
Private Fire	1,707	1,707	1,707
Total	101,044	101,044	101,044

<b>Region II</b>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
<u>Customer Class</u>	2008	2008	2008
Commercial	98,576	98,576	98,576
Industrial	251	251	251
Public Auth.	693	693	693
Irrigation	173	173	173
Resale	0	0	0
Reclaimed Water	40	40	40
Other	15	15	15
Private Fire	1,728	1,728	1,728
Total	101,477	101,477	101,477

## 3.02

Sales per Customer

GSWC and DRA used a five year average to forecast usage per customer for all customer classes other than Commercial / Residential. GSWC and DRA differed on methodology for forecasting Commercial / Residential customer usage.

<b>Region II</b>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
<u>Customer Class</u>			
Commercial	271.1	279.9	1/
Industrial	2,994.4	2,994.4	2,994.4
Public Authority	2,310.4	2,310.4	2,310.4
Irrigation	840.0	840.0	840.0
Resale	0	0	0
Reclaimed	9,559.2	9,559.2	9,559.2
Other	353.8	353.8	353.8

1/ disputed issue – litigated at hearings, will be briefed by parties

3.03 Unaccounted for Water

GSWC and DRA agree to use a five-year average of historical Unaccounted for Water (Water Loss Section of Work Papers) to forecast test year levels.

<u>Region II</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Unaccounted For	3.33%	3.33%	3.33%
Used in Operations	2.09%	2.09%	2.09%

4.00 **Labor**

4.01 Region II Labor - GSWC's forecast for total labor was based on its current organizational structure and actual annual salaries, using twelve months' recorded ratios of expense to capital. Added to this base was inflation, overtime, increases for merit, overhead to account for the clearing of miscellaneous tools and stand-by and call-out pay to derive the forecast for the Test Year. DRA recommended a labor expense derived by inflating the 2005 recorded labor expense to 2007. In the Southwest District Office DRA agreed with GSWC's recommended labor expense. After further discussions the Parties agree the following labor expenses are reasonable for the test year 2007.

<b>Metropolitan CSAs</b>	<b>GSWC</b>	<b>DRA</b>	<b>Stipulation</b>
Operations Labor	\$3,097,820	\$2,991,000	\$3,075,800
Maintenance Labor	\$884,717	\$854,200	\$875,600
A&G Labor	\$671,776	\$648,600	\$664,900
Total Labor Expense	\$4,654,313	\$4,493,800	\$4,616,300
<b>Region II Headquarters</b>	<b>GSWC</b>	<b>DRA</b>	<b>Stipulation</b>
Operations Labor	\$38,334	\$33,100	\$33,900
Maintenance Labor	\$0	\$0	\$0
A&G Labor	\$648,406	\$559,700	\$637,400
Total Labor Expense	\$686,740	\$592,800	\$671,300
<b>Central District HQ</b>	<b>GSWC</b>	<b>DRA</b>	<b>Stipulation</b>
Operations Labor	\$26,474	\$25,500	\$26,200
Maintenance Labor	\$4,263	\$4,300	\$4,200
A&G Labor	\$364,341	\$352,000	\$360,800
Total Labor Expense	\$395,078	\$381,800	\$391,200
<b>Southwest District HQ</b>	<b>GSWC</b>	<b>DRA</b>	<b>Stipulation</b>
Operations Labor	\$23,138	\$23,138	\$23,100
Maintenance Labor	\$11,428	\$11,428	\$11,400
A&G Labor	\$234,167	\$234,167	\$234,200
Total Labor Expense	\$268,733	\$268,733	\$268,700

- 4.02 Tools Clearing – GSWC included 1.8% tools clearing expense within its labor expense forecast. DRA recommended discontinuing this practice. The Parties agreed that in future GRC proceedings GSWC will no longer use the tools clearing expense and the cost of small tools will be booked in WUDF account 805.00. Depreciation for general tools and work equipment will no longer be booked to the tools clearing account and will be included in the depreciation expense, WUDF account 503.00.

In order for GSWC to be made whole, GSWC and DRA agree to the following reductions to the clearing account of the General Office and Region II depreciation reserve and a corresponding increase to the depreciation expense.

Location	Adjustment
General Office	\$21,661
Metropolitan	\$121,361

- 4.03 General Office Labor – GSWC and DRA used the same methodology to forecast General Office Labor expense, however there were some differences within the components of the methodology where DRA disagreed with GSWC’s forecast.

The most significant difference between DRA and GSWC is DRA’s exclusion of 36.5 positions that GSWC had included in its forecast. The issue of these positions remains unresolved between the Parties. All other differences between the Parties’ positions have been resolved as follows:

- 4.04 General Office Tools Clearing – GSWC included 1.8% tools clearing expense within its labor expense forecast. DRA recommended discontinuing this practice. The Parties agreed that in the future GSWC will no longer use the tools clearing expense and the cost of small tools will be booked in WUDF account 805.00. Depreciation for general tools and work equipment will no longer be booked to the tools clearing account and will be included in the depreciation expense, WUDF 503.00. In order for GSWC to be made whole, GSWC and DRA agree to transfer \$21,661 from the accrual charged to the clearing account to the depreciation expense of the General Office depreciation reserve.
- 4.05 Common Customer Account – GSWC included a portion of the labor expense for supervisors in its customer service center (CSC) in the Common Customer Account expense, WUDF 773.00. DRA recommended that all of the labor expense for the CSC supervisors’ labor should be included in Operations Labor expense, WUDF 780.00 in this case and going forward. GSWC agrees with DRA’s recommendation.

- 4.06 General Office Overtime – GSWC proposed an overtime rate of 2.0%, which was the recorded overtime rate for the twelve months ended September 2005. DRA recommended an overtime rate of 1.08%, the average of 2001, 2002 and 2005. The parties have agreed to an overtime rate of 1.185% for the test year.
- 4.07 General Office Vacancies – GSWC made no adjustments in its forecasted labor expense for possible vacancies during the test year. DRA proposed a vacancy adjustment of \$563,627 to the 2005 labor base, which erroneously included some vacant positions that were not part of the General Office. The parties agree that an adjustment of \$474,428 to the 2005 labor base is reasonable.
- 4.08 General Office Equity Adjustment – GSWC included a 1.28% performance based merit adjustment in its labor expense forecast. DRA did not include any equity adjustment in its recommendation. Upon further discussions between GSWC and DRA, the Parties agree that it is appropriate to include an equity, or merit, adjustment of 0.7% to derive the General Office labor expense for the test year.

**5.00 Administrative and General Expenses**

- 5.01 Office Supplies - To forecast Office Supplies expenses, GSWC mainly based their estimate on inflating the recorded data. In addition, GSWC requested funds to cover some of the anticipated future cost in Region II-HQ and General Office, while DRA used various methodologies at the sub-categories level in the General Office; trending the recorded expenses in Metropolitan CSA; inflating 5 years average in Region II-HQ and inflating 2 years average in Central District HQ. DRA accepted GSWC's estimate in Southwest District-HQ

After discussions, the Parties agree to the following estimates for Office Supplies in 2007:

2007

CSA	GSWC	DRA	Stipulated
General Office	2,380,700	1,727,400	2,054,600
Region II – HQ	260,100	176,900	244,400
Central District HQ	111,800	96,200	105,200
Southwest District HQ	136,300	136,300	136,300
Metropolitan CSA	338,400	315,000	326,000

- 5.02 Injuries and Damages – GSWC evaluated the insurance market and the anticipated economic development to estimate expenditures for Injuries

and Damages in General Office. DRA reduced GSWC's forecasted amount for Injuries and Damages by 12.52% to forecast DRA's Injuries & Damages expense level. Other than Brokers fee, DM&A fee and Worker Comp (Loss Reserve) which are components of Injuries and Damages expense, the total level of Injuries and Damages cost for General Office is still a disputed issue.

2007

ITEM	Proposed		Stipulated		
	GSWC	DRA	GSWC	DRA	
	In Thousands		In Thousands		
Gen. Liability Insurance	255.4	221.5	255.4	221.5	1/
Auto Liability Insurance	226.4	187.6	226.4	187.6	1/
Reserve AL & General Liability Loss Reserve	517.0	448.3	517.0	448.3	1/
Excess Workers Comp	222.3	201.2	222.3	201.2	1/
Umbrella Liability	581.1	503.9	581.1	503.9	1/
D & O Insurance	222.3	192.9	222.3	192.9	1/
Fiduciary Liability Insurance	11.4	9.9	11.4	9.9	1/
Crime Insurance	6.2	5.4	6.2	5.4	1/
EPL Insurance	56.9	49.3	56.9	49.3	1/
DM&A Adm Fee	111.7	55.7	55.7	55.7	Settled
Broker (Marsh) Adm Fee	249.2	205.5	205.5	205.5	Settled
L/C for Auto	6.2	5.4	6.2	5.4	1/
Workers Comp (Loss Reserve)	723.8	654.9	723.8	723.8	Settled
Claims Management Services	54.3	47.1	54.3	47.1	1/
Workers Comp (Security Deposit)	12.4	12.0	12.4	12.0	1/
<b>Total Injuries and Damages</b>	<b>3,257</b>	<b>2,800</b>	<b>3,157</b>	<b>2,869</b>	
<b>Net Expensed</b>	<b>2,573</b>	<b>2,222</b>	<b>2,494</b>	<b>2,267</b>	

1/ disputed expense – litigated at hearings, will be briefed by parties

As part of determining the overhead rate, the Parties stipulated to capitalize 21% of the total cost of Injuries and Damages and 79% will be expensed and booked into General Office Summary of Earning.

5.03

Property Insurance – There are two components for this line item: Property Insurance and Excess Property Insurance. GSWC evaluated the insurance market and the anticipated economic development to estimate both components in General Office. DRA inflated 2005 recorded of Property Insurance and set Excess Property Insurance to zero noting that the value of Excess Property Insurance is already embedded into the value of Property Insurance.

As part of determining the overhead rate, the Parties stipulated to capitalize 21% of the total cost of Property insurance and 79% will be expensed and booked into General Office Summary of Earning.

The level of Property Insurance expense for General Office is still a disputed issue.

2007

ITEM	Proposed		Stipulated
	GSWC	DRA	
Property Insurance & Excess Property Ins	422.9	382.3	1/
Excess Property Insurance	33.1	-	1/
<b>Total Property Insurance</b>	<b>456.0</b>	<b>382.3</b>	
<b>Net Expensed</b>	<b>360.9</b>	<b>282.9</b>	

1/ disputed expense – litigated at hearings, will be briefed by parties

5.04

Pensions and Benefits – GSWC's estimate in the General Office for the Pension Plan is calculated in accordance with the accounting requirements of Financial Accounting Standards Board Standard No. 87, "Employers' Accounting for Pensions". As such, the annual expense for the Pension Plan is actuarially determined based on calculations performed by the Pension Plan's actuary. DRA estimate was based on adjusting GSWC's estimate downward incorporating the reduction in annual increase and number of employees in General Office. The table below illustrates the partially stipulated Pension & Benefits expense in the General Office

2007

G.O. Pension & Benefits	Proposed		Stipulated		
	GSWC (\$000)	DRA	GSWC (\$000)	DRA	
401-k Plan Contribution	1,412.0	1,146.1	1,412.0	1,210.0	2/
VEBA Costs (FASB 106)	1,049.0	924.6	1,049.0	1,049.0	
Pension Plan Costs (FASB 87)	5,710.0	5,069.5	5,710.0	5,352.2	2/
Legal Expenses Pension & 401k Plan	21.0	2.1	2.1	2.1	
Audit Expenses - 401k	36.0	34.9	35.9	35.9	
Actuary Costs Pension Plan (Mercer)	66.0	64.6	64.6	64.6	
Actuary Expenses : Special Projects	62.7	61.5	61.5	61.5	
Trustee Cost for 401K Plan (Wells Fargo)	41.1	42.1	41.1	41.1	
Pension Restoration Fund (SERP)	637.6	402.7	637.6	433.1	2/
Transition Obligation for	61.8	55.3	55.3	55.3	

G.O. Pension & Benefits	Proposed		Stipulated		
	GSWC (\$000)	DRA	GSWC (\$000)	DRA	
FASB 106					
Stock Option Compensation (FASB 123)	1,083.0	664.9	950.0	950.0	
Group Health Insurance	6,251.0	4,471.2	5,234.6	5,234.6	
Executive Physicals	2.1	0.0	0.0	0.0	
Discretionary Bonus	151.6	78.9	78.9	78.9	
Dividend Equivalent Rights	406.1	0.0	406.1	0.0	1/
Annual Incentive Bonus	990.0	0.0	990.0	0.0	1/
Albert Printing for employee related matters	15.0	0.0	0.0	0.0	
Employment Advertising	100.0	63.9	63.9	63.9	
Pre-Employment Physical Examinations	18.8	8.7	8.7	8.7	
DMV & Background check	24.6	0.0	0.0	0.0	
Flowers	2.8	0.0	0.0	0.0	
Service Awards	63.8	0.0	0.0	0.0	
Tuition Reimbursement	60.0	40.5	40.5	40.5	
Company Sponsored Picnic	60.0	0.0	0.0	0.0	
Holiday Events\Employee Activity	120.0	0.0	0.0	0.0	
DOT Drug Test Program	3.3	2.8	2.8	2.8	
Workers' Comp fee to CMS	0.0	45.7	0.0	0.0	
Sub-totals	18,449.3	13,180.0	16,844.6	14,684.2	
Capital Allocation @	-3,874.4	-3,426.8	-3,537.4	-3,083.7	
Sub-Total Net For Expense	14,574.9	9,753.2	13,307.2	11,600.5	
Management initiatives, Succession planning, and training	247.3	353.0	353.0	247.3	3/
Total Net For Expense	14,822.2	10,106.2	13,660.2	11,847.8	

1/ disputed expense – litigated at hearings, will be briefed by parties

2/ partially stipulated - to be adjusted upward for employee count increase which is subject to Commission approval

3/ unresolved – dispute arose after hearings, to be resolved pending ALJ review

The Parties agree that if the Commission approves the inclusion of the DRA's disallowed positions in the General Office, 401K Plan Contribution, Pension Plan and Pension Restoration Fund (SERP) will be accordingly adjusted upward.

As part of determining the overhead rate, the Parties stipulated to capitalize 21% of the total cost of Pension & Benefit, and 79% will be expensed and booked into General Office Summary of Earning.

In Region II, GSWC mainly based their estimate on inflating the recorded data. In addition, GSWC requested funds to cover the cost of water quality training in Region II-HQ, Central District HQ and Metropolitan CSA. DRA applied several methodologies based on recorded data. Upon further discussions, the Parties stipulated to the following amounts for Pension & Benefits in Region II.

2007

CSA	GSWC	DRA	Stipulated
Region II – HQ	70,900	43,000	55,000
Central District-HQ	28,200	21,200	21,200
Southwest District-HQ	28,900	28,900	28,900
Metropolitan CSA	65,300	47,900	57,900

5.05

Business Meals – To estimate expenditures for Business Meals, GSWC inflated the latest recorded to 2007 level. In Region II, DRA used five year average inflated to 2007 level and in the General Office, DRA based its estimate on three year average inflated to 2007 expense level, then adjusted it downward by 10%.

The Parties stipulated to Business Meals amounts except in the General Office which is still disputed.

The Parties agree to the following estimates for 2007 in Region II:

2007

CSA	GSWC	DRA	Stipulated
General Office	89,300	66,100	1/
Region II – HQ	10,700	7,000	7,100
Central District-HQ	3,300	2,800	2,800
Southwest District-HQ	2,500	2,500	2,500
Metropolitan CSA	4,100	2,700	2,700

1/ disputed expense – litigated at hearings, will be briefed by parties

5.06

Regulatory Commission Expense – GSWC based its estimate for Region II - Regulatory Commission Expense on a comparable cost for another rate case, while DRA's estimate is a combination of Region II recorded data and components of GSW's estimates. In the General Office, GSWC utilized the four-year average and DRA utilized the three-year average, inflated to 2007 expense level. After discussions between the Parties

GSWC and DRA agree to the following:

2007

CSA	GSWC	DRA	Stipulated
General Office	50,300	35,800	35,800
Region II – HQ	0	0	0
Central District-HQ	0	0	0
Southwest District-HQ	0	0	0
Metropolitan CSA	224,500	201,100	224,500

5.07

Outside Services – GSWC based its forecast for Outside Services in Region II on the recorded data. Additional funds were requested to cover anticipated future cost in Region II-HQ. DRA accepted GSW's estimate in Metropolitan CSA and Southwest District HQ.

In Central District HQ, GSWC requested funds of \$500,000 in legal cost to secure amendment of the court judgments which governs the rights of the Parties in Central and West Basin. DRA recommendation is to continue recording these legal costs in the memorandum account, that was established in D.04-08-053 and recovering it through an advice letter process. The memorandum account and advice letter process was described in D.04-08-053, Attachment A, Stipulation and Settlement. GSWC do not oppose DRA's recommendation to extend the memorandum account treatment that was established in D.04-08-053 to record the legal cost in Central District for Test year 2007 and Escalation Year 2008 and recover it through advice letter filing.

In the General Office, GSWC inflated 2005 Outside Service recorded to 2007 expense level, while DRA applied several forecasting methodologies at the vendor level.

After several discussions, GSWC and DRA stipulate to the following estimates for 2007:

2007

CSA	GSWC	DRA	Stipulated	Memo Acct
General Office	6,740,900	3,323,400	5,698,000	
Region II – HQ	195,700	58,500	161,400	
Central District-HQ	527,300	27,300	27,300	
		500,000	500,000	500,000
Southwest District-HQ	38,700	38,700	38,700	
Metropolitan CSA	121,900	121,900	121,900	

5.08 Miscellaneous – To estimate expenditures for Miscellaneous Expenses in Region II, GSWC used 2005 recorded expenses and applied composite inflation factor to forecast 2007 expense level. DRA accepted GSWC’s estimate for Miscellaneous Expenses in Region II.

In the General Office, GSWC estimate is a combination of inflating the recorded data and requesting additional funds to cover the anticipated future higher cost in this category. DRA’s estimate is based on inflating three-year average, and then adjusted it downward to exclude several organizations dues such as National Association of Water Companies (NAWC), California Foundation on the Environment and Economy (CFEE) and American Council on Education (ACE).

The Parties reached to a stipulated Miscellaneous amounts except in the General Office which is still considered a disputed issue. The following is stipulated amounts in Region II for 2007.

2007

CSA	GSWC	DRA	Stipulated
General Office	2,009,400	1,415,600	1/
Region II – HQ	4,600	4,600	4,600
Central District HQ	34,100	34,100	34,100
Southwest District HQ	12,400	12,400	12,400
Metropolitan CSA	6,400	6,400	6,400

1/ disputed expense – litigated at hearings, will be briefed by parties

5.09 Allocated Expense of General Office, Common Customer Accounts, GSWC allocated the General Office Expenses and Common Customer Accounts expenses to Metropolitan CSA based on GSWC’s General Office Allocation Study, which is part of this proceeding, and subject to the Commission approval. DRA allocated the General Office Expenses and Common Customer Accounts to Metropolitan CSA based on DRA’s General Office Allocation Study.

Since the General Office Cost Allocation methodology and some of the General Office expenses are disputed issues, the General Office Expenses and Common Customer Accounts allocated to Metropolitan CSA (Accounts 77300 and 79910) are still disputed issues.

2007

	GSWC	DRA	Stipulated
<b>Metropolitan</b>			
77300 Common Customer Acct	1,273,500	766,600	1/
79910 Alloc General Office	13,375,200	7,125,100	1/

1/ disputed expense – litigated at hearings, will be briefed by parties

- 5.10 Allocated Expense of, Region and District Offices – GSWC allocated the General Region II-HQ, Central and Southwest District Offices to Metropolitan CSA based on the updated “Revised Four-Factor.”

GSWC and ORA agree to the following estimates of the allocated Region II-HQ, Central and Southwest District Offices to Metropolitan CSA for 2007.

2007

CSA	GSWC	DRA	Stipulated
Allocated Region Office	1,423,400	1,050,600	1,327,400
Allocated District Offices	2,036,500	1,499,000	1,518,100

- 5.11 Other Maintenance of General Plant – GSWC inflated the five-year average in Region II and inflated the four-year average in the General Office to estimate 2007 expenditures for Other Maintenance of General Plant

DRA accepted GSWC’s estimate for Other Maintenance of General Plant in Region II and used two-year average in the General Office. The following table is the stipulated amounts for Other Maintenance of General Plant

2007

CSA	GSWC	DRA	Stipulated
General Office	793,300	723,000	765,000
Region II – HQ	13,700	13,700	13,700
Central District – HQ	8,600	8,600	8,600
Southwest District -HQ	8,200	8,200	8,200
Metropolitan CSA	17,200	17,200	17,200

- 5.12 Rent – In Region II, GSWC estimate for Rent was based on actual lease contracts; and in the General Office, GSWC requested additional funds to cover the cost of renting additional space due to overcrowding in the existing building.

The Parties reached to a stipulated Rent amounts except in the General Office which is still a disputed issue.

2007

CSA	GSWC	DRA	Stipulated
General Office	246,300	21,700	1/
Region II – HQ	\$177,200	\$177,200	\$177,200
Central District	\$118,700	\$118,700	\$118,700
Southwest District	\$0	\$0	\$0
Metropolitan	\$359,200	\$359,200	\$359,200

1/ disputed item – litigated at hearings, will be briefed by parties

- 5.13 A&G Expense Capitalized – In Region II Headquarters, GSWC applied a credit of 21% to Office Supplies, Outside Services and Corporate Expenses, while DRA used two ratios: 21% and 5%. After further discussions, DRA stipulated to GSWC’s capitalized ratio of 21%.

The Parties accept the A&G Expense Capitalized forecast as set forth below:

2007

	GSWC	DRA	Stipulated
Region 2 HQ	-\$308,200	-\$308,200	-\$298,900

**6.00 Operations and Maintenance**

- 6.01 Common Customer Accounts – In the General Office, Common Customer Account is comprised of three components: Customer Service Labor, Equipment Rental and Billing Supply. GSWC

GSWC included a portion of the labor expense for supervisors in its customer service center (CSC) in the Common Customer Account expense, WUDF 773.00. DRA recommended that all of the labor expense for the CSC supervisors’ labor should be included in Operations Labor expense, WUDF 780.00. GSWC agrees with DRA’s recommendation.

Equipment Rental – GSWC annualized the latest recorded equipment lease costs and inflated it to the 2007 level. DRA only utilized the latest recorded of equipment lease costs without including any inflationary increase for the future test year.

Billing Supply – GSWC and DRA used two year average recorded and inflated to 2007 level.

After several discussions, the Parties agree to the following estimate for Common Customer Account

**2007**

	GSWC	DRA	Stipulated
General Office	671,400	371,100	396,800

6.02 Postage - GSWC and DRA based their estimate on the estimated unit cost of postage multiplied by the total number of customer, however. DRA didn't inflate the estimated cost for 2007 level, noting that an increase in number of customers in 2007 is already taken into account.

After several discussions, the Parties stipulated to the following estimate for Postage

**2007**

CSA	GSWC	DRA	Stipulated
General Office	769,000	751,400	751,400

6.03 Uncollectibles – GSWC based its forecast for uncollectibles on the 5- year average of write-offs less recoveries as a percentage of gross revenues. DRA accepted GSWC's estimates. GSWC and DRA agree to the following uncollectible percentage, to be used for the test years:

CSA	GSWC	DRA	Stipulated
Metropolitan CSA	0.287%	0.287%	0.287%

6.04 All Other Operations –GSWC estimate in Region II and General Office for Other Operations Expense was based on inflating five-year average of recorded data to 2007 expense level. In addition GSWC requested funds to cover some of the anticipated higher future cost in Region II HQ and Metropolitan CSA.

In the General Office, DRA applied several methodologies at the sub-account level. In Region II-HQ, DRA inflated five-year average and accepted GSWC’s estimate in Central and Southwest District Offices.

GSWC requested funds for Conservation programs as part of capital addition. DRA recommended \$1,545,900 to fund the best management programs and be included as a component of Other Operation Expenses GSWC doesn’t oppose DRA’s recommendations. Since some of the cost for best management programs is covered in various types of expenses, the Parties stipulated to an amount of \$458,700.

After further discussions between the Parties, GSWC and DRA stipulated to the following estimates for 2007 expense:

2007

CSA	GSWC	DRA	Stipulated
General Office	287,700	154,700	241,600
Region II – HQ	39,800	20,600	20,600
Central District HQ	24,600	24,600	24,600
Southwest District HQ	24,700	24,700	24,700
Metropolitan CSA	1,769,700	1,554,800	1,725,200
<b>Conservation</b>			
Capital	458,700	0	0
Expense		1,545,900	458,700

6.05 All Other Maintenance – GSWC estimate in Region II for Other Maintenance Expense was based on inflating four-year average of recorded data to 2007 expense level. In addition GSWC requested funds to cover some of the anticipated higher future cost in Metropolitan CSA.

After several discussions, GSWC and DRA stipulated to the following estimates for 2007 expense:

2007

CSA	GSWC	DRA	Stipulated
Region II – HQ	0	0	0
Central District HQ	5,000	5,000	5,000
Southwest District HQ	1,200	1,200	1,200
Metropolitan CSA	3,865,500	3,406,100	3,754,100

## 7.00 Taxes Other Income

7.01 Property Taxes – GSWC and DRA used a 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:

CSA	GSWC	DRA	Stipulated
Metropolitan	0.84%	0.84%	0.84%

7.02 Payroll Taxes – GSWC and DRA agree to apply a rate of 8.10% to all labor expenses, as calculated in GSWC's zero-based forecast.

7.03 Local Taxes – GSWC and DRA agree to apply the 5-year average recorded rate of 1.172% to all gross revenues.

## 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 (usage per commercial class customer), which is addressed in paragraph 3.02.

CSA	GSWC	DRA
	Ccf	Ccf
Metropolitan CSA	31,174,573	32,083,534

8.02 Supply Cost -- The Parties agree to use GSWC's methodology to forecast purchased water, purchased power, and pump taxes costs. The difference in supply cost is attributable to the differences in the Parties' projection of sales, which is addressed in paragraph 3.02. The latest available rates prior to producing the final decision tables should be used

as referenced in paragraph 8.03.

**9.00 Common Issues**

9.01 Inflation – The Parties adopt the inflation factors stated in the February 28, 2006 Memo attached to DRA's Results of Operations Report.

9.02 Established Inflation Factors – The Parties agree that the Established Factors should be as set forth in the Commission's New Rate Case Plan guidelines, D.04-06-018.

9.03 Rates Charged for Purchased Water, Purchased Power and Pump Tax – The Parties agree for 2007 that the latest available rates prior to developing the decision tables should be used to calculate supply expenses in the final decision.

**10.00 Cost of Capital**

10.01 Return on Equity – GSWC requested a return on equity of 11.2%. DRA recommended a return on equity of 9.68%. Following discussions between the parties it was agreed that a return on equity on 10.1% was reasonable.

10.02 Cost of Debt – GSWC requested a cost of debt of 7.46%. DRA concurred with this rate.

10.03 Capital Structure – GSWC requested a capital structure of 49.2% debt and 50.8% equity. DRA accepted GSWC request.

10.04 Return on Ratebase – The agreements described in paragraphs 10.01 to 10.03 result in a return on ratebase of 8.80%

**11.00 Other Issues**

11.01 Low Income Program (CARW) – GSWC requested recovery of the accumulated balance of the cost of its low income program in Region II through a rate surcharge. As of December 31, 2005 the balance was \$1,310,645. DRA did not address this item in their report, but following discussions between the parties it was agreed that when the balance reaches 2% of adopted Region II revenues GSWC is permitted to file an advice letter to recover the accumulated balance through a surcharge.

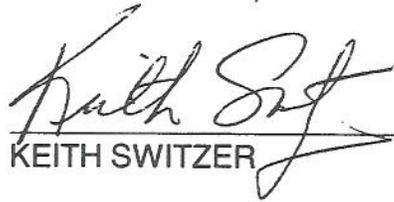
Dated: August \_\_, 2006

---

DANILO SANCHEZ

Division of Ratepayer Advocates  
**California Public Utilities Commission**  
505 Van Ness Ave  
San Francisco, CA 94102  
(415) 703-2771

Dated: August 4, 2006



---

KEITH SWITZER

Vice President of Regulatory Affairs  
**Golden State Water Company**  
630 East Foothill Boulevard  
San Dimas, CA 91773  
(909) 394-3600

Dated: August 4, 2006



DANILO SANCHEZ

Division of Ratepayer Advocates  
**California Public Utilities Commission**  
505 Van Ness Ave  
San Francisco, CA 94102  
(415) 703-2771

Dated: August \_\_, 2006

---

KEITH SWITZER

Vice President of Regulatory Affairs  
**Golden State Water Company**  
630 East Foothill Boulevard  
San Dimas, CA 91773  
(909) 394-3600

## APPENDIX A

RECONCILIATION EXHIBIT  
GOLDEN STATE WATER COMPANY  
Region 2 -- Metropolitan A.06-02-023  
TEST YEAR 2007

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
<b>AT PRESENT RATES:</b>							
Operating Revenues	94,513.5	2.8	94,516.3	(1,801.4)	96,317.7	0.6	96,317.1
Oper. & Maint. Expenses							
Purchased Water	24,138.0	2.5	24,140.5	(1,146.6)	25,287.1	0.0	25,287.1
Purchased Power	2,041.1	0.0	2,041.1	(3.8)	2,044.9	0.0	2,044.9
Pump Taxes	3,802.1	0.0	3,802.1	0.0	3,802.1	0.0	3,802.1
Chemicals	453.0	0.0	453.0	44.6	408.3	0.0	408.3
Common Cust. Acct. (G)	1,273.5	(146.6)	1,126.9	359.1	767.8	1.1	766.6
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	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	271.7	0.0	271.7	(5.2)	276.9	11.0	265.8
Oper-Labor	3,097.8	(32.0)	3,065.8	0.0	3,065.8	74.8	2,991.0
Oper-Others	1,769.7	414.2	2,183.9	0.0	2,183.9	(916.8)	3,100.7
Maint-Labor	884.7	(9.1)	875.6	0.0	875.6	21.4	854.2
Maint-Others	3,865.5	(111.5)	3,754.1	0.0	3,754.1	348.0	3,406.1
A&G Expenses							
Office Supplies	338.4	(12.4)	326.0	0.0	326.0	11.0	315.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	65.3	(7.4)	57.9	0.0	57.9	10.0	47.9
Business Meals	4.1	(1.4)	2.7	0.0	2.7	(0.0)	2.7
Regulatory Comm	224.5	0.0	224.5	0.0	224.5	23.3	201.1
Outside Services	121.9	0.0	121.9	0.0	121.9	0.0	121.9
Misc	6.4	(0.0)	6.4	0.0	6.4	(0.0)	6.4
Alloc Gen Office	13,375.2	(1,035.6)	12,339.6	4,563.0	7,776.6	651.6	7,125.1
Alloc Region Office	1,423.4	(96.0)	1,327.4	0.0	1,327.4	276.8	1,050.6
Alloc District Office	2,036.5	(518.4)	1,518.1	0.0	1,518.1	19.2	1,499.0
Maintenance	17.2	(0.0)	17.2	0.0	17.2	(0.0)	17.2
Rent	359.2	0.0	359.2	0.0	359.2	0.0	359.2
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	671.8	(6.9)	664.9	0.0	664.9	16.2	648.6
Depreciation	9,576.2	(1,169.4)	8,406.8	0.0	8,406.8	910.8	7,496.0
Other Taxes							
Property Taxes	2,860.9	(198.1)	2,662.9	0.0	2,662.9	50.1	2,612.8
Payroll Taxes	376.8	(3.9)	373.0	0.0	373.0	9.1	363.9
Local Taxes	1,107.6	0.0	1,107.6	(21.1)	1,128.7	43.1	1,085.6
Income Taxes	5,429.9	1,431.4	6,861.3	(2,184.6)	9,045.9	(330.9)	9,376.8
Adjustment of GO Capitalized Exp.	0.0	0.0	0.0	0.0	0.0	(1,757.6)	1,757.6
Total Expenses After Taxes	79,592.5	(1,500.4)	78,092.1	1,605.5	76,486.6	(527.8)	77,014.4
					67,440.7	(196.9)	67,637.6
Net Operating Revenues	14,921.0	1,503.2	16,424.2	(3,406.9)	19,831.1	528.4	19,302.7
Rate Base	246,042.7	(26,361.0)	219,681.7	3,919.8	215,761.9	19,053.7	196,708.2
Rate of Return	6.06%		7.48%		9.19%		9.81%
<b>AT PROPOSED RATES:</b>							
Operating Revenues	109,166.0	(9,395.0)	99,771.0	4,978.5	94,792.5	2,162.5	92,630.0
Uncollectibles	313.8	(27.0)	286.8	14.3	272.5	6.2	266.3
Local Taxes	1,279.3	(110.1)	1,169.2	58.3	1,110.9	25.3	1,085.5
Income Taxes	11,759.9	(2,628.7)	9,131.2	744.1	8,387.1	512.7	7,874.4
Adjustment to match DRA report							221.3
Total Expenses After Taxes	86,136.3	(5,697.6)	80,438.7	4,633.1	75,805.6	72.0	75,733.6
Net Operating Revenues	23,029.7	(3,697.4)	19,332.3	345.4	18,986.9	2,090.5	16,896.4
Rate Base	246,042.7	(26,361.0)	219,681.7	3,919.8	215,761.9	19,053.7	196,708.2
Rate of Return	9.36%		8.80%		8.80%		8.59%

RECONCILIATION EXHIBIT  
SOUTHERN CALIFORNIA WATER COMPANY  
Region 2 -- Metropolitan A.06-02-023  
TEST YEAR 2007

## Page 2

INCOME TAX CALCULATION	SCWC	Change	SCWC Stipulation	Difference	Staff Stipulation	Change	Staff
<b>AT PRESENT RATES:</b>							
Total Operating Revenues	94,513.5	2.8	94,516.3	(1,801.4)	96,317.7	0.6	96,317.1
Operating Expenses	74,162.6	(2,931.8)	71,230.8	3,790.1	67,440.7	(196.9)	67,637.6
Interest on LTD	9,029.8	(967.4)	8,062.3	143.8	7,918.5	699.3	7,219.2
Book Depr'n (w/ G.O.)	(10,167.3)	1,179.7	(8,987.6)	(187.5)	(8,800.1)	(713.0)	(8,087.1)
Total Deductions	73,025.0	(2,719.5)	70,305.5	3,746.4	66,559.2	(210.5)	66,769.7
State Tax Depreciation	(6,289.2)	0.0	(6,289.2)	(52.7)	(6,236.5)	52.7	(6,289.2)
Other State Schedule M	702.8	(3.4)	699.5	351.4	348.0	(354.8)	702.8
8.84% --State Tax	1,405.7	240.4	1,646.1	(464.0)	2,110.1	(8.1)	2,118.2
Book Depr'n (w/ G.O.)	(10,167.3)	1,179.7	(8,987.6)	(187.5)	(8,800.1)	(713.0)	(8,087.1)
Tax Depr. - Flow Through	728.1	(55.8)	672.3	3.7	668.5	54.6	613.9
State Tax Deduction	(1,405.7)	(240.4)	(1,646.1)	464.0	(2,110.1)	8.1	(2,118.2)
Other Fed Schedule M	702.8	(3.4)	699.5	351.4	348.0	(354.8)	702.8
Def Rev Amort - Contrib	151.4	0.0	151.4	0.0	151.4	0.0	151.4
Adjustment for Job Creation Act			(199.8)	0.0	(199.8)		(71.4)
35.00% --Federal Tax	4,024.2	1,191.0	5,215.2	(1,720.6)	6,935.8	(322.8)	7,258.6
<b>TOTAL INCOME TAX</b>	<b>5,429.9</b>	<b>1,431.4</b>	<b>6,861.3</b>	<b>(2,184.6)</b>	<b>9,045.9</b>	<b>(330.9)</b>	<b>9,376.8</b>
<b>AT PROPOSED RATES:</b>							
Total Operating Revenues	109,166.0	(9,395.0)	99,771.0	4,978.5	94,792.5	2,162.5	92,630.0
Operating Expenses	74,376.4	(3,068.9)	71,307.5	3,889.0	67,418.5	(219.1)	67,637.6
Interest on LTD	9,029.8	(967.4)	8,062.3	143.8	7,918.5	699.3	7,219.2
Book Depr'n (w/ G.O.)	(10,167.3)	1,179.7	(8,987.6)	(187.5)	(8,800.1)	(713.0)	(8,087.1)
Total Deductions	73,238.8	(2,856.6)	70,382.2	3,845.3	66,536.9	(232.8)	66,769.7
State Tax Depreciation	(6,289.2)	0.0	(6,289.2)	(52.7)	(6,236.5)	52.7	(6,289.2)
Other State Schedule M	702.8	(3.4)	699.5	351.4	348.0	(354.8)	702.8
8.84% --State Tax	2,682.1	(578.3)	2,103.8	126.5	1,977.3	185.1	1,792.2
Book Depr'n (w/ G.O.)	(10,167.3)	1,179.7	(8,987.6)	(187.5)	(8,800.1)	(713.0)	(8,087.1)
Tax Depr. - Flow Through	728.1	(55.8)	672.3	3.7	668.5	54.6	613.9
State Tax Deduction	(1,405.7)	(240.4)	(1,646.1)	464.0	(2,110.1)	(317.9)	(1,792.2)
Other Fed Schedule M	702.8	(3.4)	699.5	351.4	348.0	(354.8)	702.8
Def Rev Amort - Contrib	151.4	0.0	151.4	0.0	151.4	0.0	151.4
Adjustment for Job Creation Act			(199.8)		(199.8)		(71.4)
35.00% --Federal Tax	9,077.8	(2,050.4)	7,027.4	617.6	6,409.8	327.6	6,082.2
<b>TOTAL INCOME TAX</b>	<b>11,759.9</b>	<b>(2,628.7)</b>	<b>9,131.2</b>	<b>744.1</b>	<b>8,387.1</b>	<b>512.7</b>	<b>7,874.4</b>

## APPENDIX A

RECONCILIATION EXHIBIT  
 GOLDEN STATE WATER COMPANY  
 Region 2 HQ - A.06-02-023  
 TEST YEAR 2007

Page 3

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
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)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	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	38.3	(4.4)	33.9	0.0	33.9	0.8	33.1
Oper-Others	39.8	(19.2)	20.6	0.0	20.6	0.0	20.5
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	260.1	(15.7)	244.4	0.0	244.4	67.5	176.9
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.0
Pension & Benefits	70.9	(15.8)	55.0	0.0	55.0	12.0	43.0
Business Meals	10.7	(3.6)	7.1	0.0	7.1	0.1	7.0
Regulatory Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outside Services	195.7	(34.4)	161.4	0.0	161.4	102.8	58.5
Misc	4.6	(0.0)	4.6	0.0	4.6	(0.0)	4.6
Alloc Gen Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc Region Office	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	13.7	(0.0)	13.7	0.0	13.7	(0.0)	13.7
Rent	177.2	0.0	177.2	0.0	177.2	0.0	177.2
A & G Exp. Capitalized	(308.2)	9.3	(298.9)	0.0	(298.9)	9.3	(308.2)
A&G Labor	648.4	(11.0)	637.4	0.0	637.4	77.7	559.7
Depreciation	206.8	0.1	207.0	0.0	207.0	0.1	206.8
Other Taxes							
Property Taxes	9.3	0.0	9.3	0.0	9.3	0.0	9.3
Payroll Taxes	55.6	(1.3)	54.4	0.0	54.4	6.4	48.0
Local Taxes	0.4	0.0	0.4	0.0	0.4	0.0	0.4
Total Expenses Excluding Income	1,423.4	(96.0)	1,327.4	0.0	1,327.4	276.8	1,050.6
Net Operating Revenues	(1,423.4)	96.0	(1,327.4)	0.0	(1,327.4)	(276.8)	(1,050.6)

## APPENDIX A

RECONCILIATION EXHIBIT  
 GOLDEN STATE WATER COMPANY  
 Region 2 Central District Office - A.06-02-023  
 TEST YEAR 2007

Page 4

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
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	1.9	0.0	1.9	0.0	1.9	0.0	1.9
Common Cust. Acct. (C)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	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	26.5	(0.3)	26.2	0.0	26.2	0.7	25.5
Oper-Others	24.6	0.0	24.6	0.0	24.6	0.0	24.6
Maint-Labor	4.3	(0.0)	4.2	0.0	4.2	(0.0)	4.3
Maint-Others	5.0	0.0	5.0	0.0	5.0	0.0	5.0
A&G Expenses							
Office Supplies	111.8	(6.6)	105.2	0.0	105.2	9.0	96.2
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	28.2	(7.0)	21.2	0.0	21.2	(0.0)	21.2
Business Meals	3.3	(0.5)	2.8	0.0	2.8	0.0	2.8
Regulatory Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outside Services	527.3	(500.0)	27.3	0.0	27.3	0.0	27.3
Misc	34.1	0.0	34.1	0.0	34.1	0.0	34.1
Alloc Gen Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc Region Office	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	8.6	0.0	8.6	0.0	8.6	0.0	8.6
Rent	118.7	0.0	118.7	0.0	118.7	0.0	118.7
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	364.3	(3.6)	360.8	0.0	360.8	8.8	352.0
Depreciation	125.9	0.0	125.9	0.0	125.9	0.0	125.9
Other Taxes							
Property Taxes	6.7	0.0	6.7	0.0	6.7	0.0	6.7
Payroll Taxes	32.0	(0.3)	31.7	0.0	31.7	0.8	30.9
Local Taxes	0.7	0.0	0.7	0.0	0.7	0.0	0.7
Total Expenses Excluding Income	1,424.0	(518.4)	905.6	0.0	905.6	19.2	886.4
Net Operating Revenues	(1,424.0)	518.4	(905.6)	0.0	(905.6)	(19.2)	(886.4)

RECONCILIATION EXHIBIT  
GOLDEN STATE WATER COMPANY  
Region 2 Southwest District Office - A.06-02-023  
TEST YEAR 2007

Page 5

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
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	0.5	0.0	0.5	0.0	0.5	0.0	0.5
Common Cust. Acct. (G)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	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	23.1	0.0	23.1	0.0	23.1	0.0	23.1
Oper-Others	24.7	0.0	24.7	0.0	24.7	0.0	24.7
Maint-Labor	11.4	0.0	11.4	0.0	11.4	0.0	11.4
Maint-Others	1.2	0.0	1.2	0.0	1.2	0.0	1.2
A&G Expenses							
Office Supplies	136.3	0.0	136.3	0.0	136.3	0.0	136.3
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	28.9	0.0	28.9	0.0	28.9	0.0	28.9
Business Meals	2.5	0.0	2.5	0.0	2.5	0.0	2.5
Regulatory Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outside Services	38.7	0.0	38.7	0.0	38.7	0.0	38.7
Misc	12.4	0.0	12.4	0.0	12.4	0.0	12.4
Alloc Gen Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alloc Region Office	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	8.2	0.0	8.2	0.0	8.2	0.0	8.2
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	234.2	0.0	234.2	0.0	234.2	0.0	234.2
Depreciation	58.7	0.0	58.7	0.0	58.7	0.0	58.7
Other Taxes							
Property Taxes	2.6	0.0	2.6	0.0	2.6	0.0	2.6
Payroll Taxes	21.8	0.0	21.8	0.0	21.8	0.0	21.8
Local Taxes	7.3	0.0	7.3	0.0	7.3	0.0	7.3
Total Expenses Excluding Income	612.6	0.0	612.6	0.0	612.6	0.0	612.6
Net Operating Revenues	(612.6)	0.0	(612.6)	0.0	(612.6)	0.0	(612.6)
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## APPENDIX A

RECONCILIATION EXHIBIT  
GOLDEN STATE WATER COMPANY  
GENERAL OFFICE -- A.06-02-023  
TEST YEAR 2007

Page 6

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	170.3	(0.2)	170.2	(83.1)	253.2	0.0	253.2
COMM CUST ACCT EXPENSES							
Common Customer Account	671.4	(274.6)	396.8	0.0	396.8	25.7	371.1
Postage	769.0	(17.6)	751.4	0.0	751.4	0.0	751.4
Operation Labor	2,232.7	(130.6)	2,102.1	574.3	1,527.8	(21.8)	1,549.6
TOTAL ADMIN & GENERAL EXPENSES							
All Other Operating Expenses	287.7	(46.1)	241.6	0.0	241.6	86.9	154.7
Office Supplies & Expense	2,380.7	(326.2)	2,054.6	0.0	2,054.6	327.1	1,727.4
Property Insurance	360.9	(0.7)	360.2	58.2	302.0	19.1	282.9
Injuries and Damages	2,572.7	(78.8)	2,493.9	227.2	2,266.7	44.5	2,222.2
Pension and Benefits	14,823.6	(1,163.4)	13,660.2	1,728.1	11,932.1	1,825.9	10,106.2
Business Meals	89.2	0.1	89.3	23.2	66.1	0.0	66.1
Regulatory Expenses	50.3	(14.5)	35.8	0.0	35.8	(0.0)	35.8
Outside Services	6,740.9	(1,042.9)	5,698.0	0.0	5,698.0	2,374.6	3,323.4
Miscellaneous	2,009.4	1.2	2,010.6	595.0	1,415.6	(0.0)	1,415.6
Maintenance of General Plant	793.3	(28.3)	765.0	0.0	765.0	41.9	723.1
Rent	246.3	0.0	246.3	224.6	21.7	(0.0)	21.7
A&G Capitalized	(2,171.9)	287.8	(1,884.1)	0.0	(1,884.1)	(1,579.8)	(304.4)
A&G Labor	7,915.1	(463.0)	7,452.0	2,035.8	5,416.2	(77.3)	5,493.5
Depreciation	1,705.1	(29.9)	1,675.2	304.5	1,370.7	63.9	1,306.8
Other Taxes							
Property Taxes	123.9	(2.8)	121.1	16.8	104.3	21.6	82.7
Payroll Taxes	821.6	(48.1)	773.6	211.3	562.2	(8.0)	570.3
Total Expenses	42,422.0	(3,378.5)	39,043.5	5,998.9	33,044.6	3,144.4	29,900.2
SAVINGS FROM CAPITAL PROJECTS	0.0	(31.4)	(31.4)	0.0	(31.4)	125.4	(156.8)
ADJUSTMENT FOR MISSED ALLOCATIC	0.0	0.0	0.0	2,978.2	(2,978.2)	0.0	(2,978.2)
ADJUSTMENT FOR CAPITALIZED EXPEI	0.0	0.0	0.0	0.0	0.0	(1,260.5)	1,260.5
Net Operating Revenues	(42,251.7)	3,409.7	(38,842.0)	(9,060.2)	(29,781.7)	(2,009.3)	(27,772.4)

## 2006 Capital Budgets

Golden State Water Company				
2006 Capital Budget				
Region II - Summary				
Budget		Proposed	DRA	
Group	Description	Budget	Recommended	Settlement
	<b>General</b>			
51-	Water Supply	8,941,600	2,447,209	6,924,895
52-	Street Improvements	2,100,000	522,413	722,400
53-	Distribution Improvements	8,620,900	4,387,834	8,274,413
55-	Miscellaneous	2,172,700	583,000	1,612,700
57-	Contingency	914,000	563,300	660,250
	<b>Total General</b>	<b>22,749,200</b>	<b>8,503,756</b>	<b>18,194,658</b>
	<b>New Business</b>			
60-	New Business	1,540,000	1,540,000	1,540,000
	Less Funded by Others	(1,495,000)	(1,495,000)	(1,495,000)
	<b>Net New Business</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
	<b>Blankets</b>			
B-01-	Meters	1,291,600	957,644	1,120,800
B-02-	Services	700,000	607,000	670,000
B-06-	Minor Main Replacements	1,300,000	1,099,750	1,300,000
B-07-	Minor Pumping Plant Equipment	19,000	9,000	19,000
B-08-	Minor Purification Equipment	25,000	10,000	25,000
B-09-	Office Furniture and Equipment	286,400	71,842	218,023
B-10-	Transportation Equipment	1,076,600	714,100	886,000
B-11-	Other Equipment	203,600	145,587	168,106
B-12-	Minor Additions to General Structures	37,900	1,620	10,000
	<b>Total Blankets</b>	<b>4,940,100</b>	<b>3,616,543</b>	<b>4,416,929</b>
	<b>Total Region II</b>	<b>27,734,300</b>	<b>12,165,299</b>	<b>22,656,587</b>
	<b>Total Gross Budget</b>	<b>29,229,300</b>	<b>13,660,299</b>	<b>24,151,587</b>

Golden State Water Company				
2006 Capital Budget				
Region II: Headquarters Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
57-	Contingency	15,000	1,500	2,550
	TOTAL CONTINGENCY	15,000	1,500	2,550
B-09-	Replace 40 PCs & 15 printers	70,000	49,397	59,500
B-09-	Replace Office Furniture for Managers	27,100	0	15,000
B-09-	Office furniture	15,000	0	15,000
B-09-	Replace Automatic Vehicle Location Units	25,000	0	0
B-11-	Global Positioning System Unit for Surveys - E & P Dept.	12,500	12,500	12,500
	TOTAL BLANKETS	149,600	61,897	102,000
	TOTAL NET COST	164,600	63,397	104,550

Golden State Water Company				
2006 Capital Budget				
Region II: Central District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
55-	Conservation	280,000	0	0
	TOTAL MISCELLANEOUS	280,000	0	0
57-	Contingency	50,500	6,200	11,400
	TOTAL CONTINGENCY	50,500	11,000	11,400
B-09-	Office Furniture and Equipment	20,000	5,300	5,300
B-10-	Vehicle Replacement No. 621 Mileage 124,833	33,000	33,000	33,000
B-10-	Vehicle Replacement No. 766 Mileage 120,922	48,100	0	0
B-10-	Vehicle Replacement No. 771 Mileage 125,649	48,100	0	48,100
B-10-	Vehicle Replacement No. 1100 Mileage 100,145	35,900	0	0
B-11-	Miscellaneous tools and safety equipment	25,000	23,000	23,000
B-12-	Minor additions to general structures	15,000	500	5,000
	TOTAL BLANKETS	225,100	61,800	114,400
	TOTAL NET COST	555,600	68,000	125,800

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	<u>Artesia</u>			
51-	Elaine #1 Destroy Well	76,400	20,970	30,300
51-	Halbrite - clear site	132,800	0	0
51-	Roseton - install 100 ft. of discharge pipe for well #1, design and construct	19,900	17,910	19,900
51-	Centralia - install reservoir safety rails	9,200	8,280	9,200
	<u>Norwalk</u>			
51-	Dace - Replace fencing & main gate, site lighting, install alarm	116,300	36,900	41,000
51-	Imperial - Replace fencing & main gate, site lighting, install alarm	184,100	36,900	41,000
51-	Imperial - install reservoir safety rails	9,200	8,280	9,200
51-	Meyer - install reservoir safety rails	9,200	8,280	9,200
51-	Studebaker - Install drain line, Phase I - Design and Permit	63,600	0	63,600
51-	Studebaker - Security, fences, install alarm	106,500	36,900	41,000
51-	Pioneer - Treatment for 2 wells, Phase I - Design and Permit	218,000	196,200	218,000
51-	Pioneer - Security, fences, intrusion alarm et. al.	217,200	66,420	82,000
51-	Pioneer - Install drainline, Phase I - Design and Permitting	57,100	0	57,100
51-	CB-23 Connection - Install intrusion alarms	25,300	20,493	25,300
51-	CB-23 - Install operator interface on electrical cabinet	15,200	12,312	15,200
51-	CB 35 - Replace fencing & main gate, site lighting, install intrusion alarms	41,000	33,210	41,000
	<u>CBE</u>			
51-	Miscellaneous Bowl Replacement	60,000	35,100	39,000
	TOTAL WATER SUPPLY	1,361,000	538,155	742,000
52-	Miscellaneous Street Improvements	300,000	87,000	87,000
	TOTAL STREET IMPROVEMENTS	300,000	87,000	87,000
53-	Gate Valve Replacement	75,000	1,000	75,000
53-	Fire Hydrant Replacement	50,000	2,500	50,000
	<u>Artesia (219)</u>			
53-	Abandon 2" standard steel main and tie over 29 services on Alburtis/205th/206th Design Review and Construct (21900193)	55,700	50,130	55,700

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	N/o Centralia e/o Pioneer 400' of 8" & 350' of 6" (21900293) Design Review and Construct	215,600	194,040	215,600
53-	Ashworth from Grayland to <sup>2</sup> Norwalk, 1050 ft. of 6" CI (City Request)	294,900	265,410	294,900
53-	Ibex from 183rd to 179th, 860 ft. of 8" Main (City Request)	259,400	233,460	259,400
53-	Norwalk from 183rd to Ashworth, 1200 ft. of 8" Main (City Request)	376,700	339,030	376,700
53-	180th from Ibex to Norwalk, 350 ft. of 8" Main(City Request)	160,100	144,090	160,100
	<i>Norwalk (220)</i>			
53-	Mondon Ct. 100' of 8" Main (22000215), Phase I - Design and Permit	20,200	20,200	20,200
53-	Spry West/Arlee 200' of 8" Main (22000216), Phase I - Design and Permit	19,000	19,000	19,000
53-	Imperial Hwy, Zeus to Pioneer, 750' of 12" Main (22000190) Design Review and Construct	255,600	0	255,600
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>1,782,200</b>	<b>1,268,860</b>	<b>1,782,200</b>
55-	Artesia Master Plan	156,800	0	156,800
55-	Norwalk Master Plan	153,900	0	153,900
55-	Install 23 Sample Stations	132,600	132,600	132,600
	<b>TOTAL MISCELLANEOUS</b>	<b>443,300</b>	<b>132,600</b>	<b>443,300</b>
57-	Contingency	130,000	79,900	104,700
	<b>TOTAL CONTINGENCY</b>	<b>130,000</b>	<b>79,900</b>	<b>104,700</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	65,000	35,000	50,000
B-01-	Meter Replacement Program - Small	85,300	34,000	60,000
B-01-	Vault Lid Replacements	21,600	13,000	17,000

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-01-	Meter Replacement Program - Large (manifold replacement)	45,200	45,200	45,200
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	70,000	70,000
B-06-	Minor Main Replacement	100,000	32,000	100,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500
B-09-	Blackburn Crew Quarters Relocation	100,000	0	100,000
B-10-	New Vehicle	0	0	35,000
B-10-	Replace dump truck #27 (1981) Mileage 55,840	89,900	89,900	89,900
B-10-	Backhoe	98,700	98,700	98,700
B-11-	Cement Saw Cutter	5,000	5,000	5,000
B-11-	Air Compressor	15,000	15,000	15,000
	TOTAL BLANKETS	739,700	486,800	699,800
	TOTAL GROSS COST	5,016,200	2,818,315	4,119,000
	LESS NEW BUSINESS FUNDED BY OTHERS	250,000	250,000	250,000
	TOTAL NET COST	4,766,200	2,568,315	3,869,000

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	<u>Bell / Bell Gardens</u>			
51-	Bissell VOC Treatment for Well #1 and Manganese Treatment for Well #2 - and Chemical Building, Phase I - design and permit	203,500	78,890	87,700 (Advice Letter 115,800)
51-	Bissell 1 MG Storage Tank, Phase II - construct new tank	2,500,400	0	2,500,400
51-	Hoffman - Destroy Well	113,000	12,717	30,300
51-	Darwell - Clear site	40,000	0	0
51-	Chanslor - destroy well and clear site	123,400	37,722	46,600
	<u>Florence-Graham</u>			
51-	Miramonte - replace pump base, install piping, convert to water-lube pump, replace pump house for Well #1, Phase I - Design	57,000	0	48,000
51-	Hampshire - install reservoir safety rails	9,200	7,452	9,200
51-	CB-05 Connection - Install Intrusion Alarm	25,200	20,412	25,200
	<u>Hollydale</u>			
51-	Coolidge - Replace fencing, site lighting	195,500	4,050	5,000
51-	Paramount Connection - Install intrusion alarm	25,200	20,412	25,200
51-	Southgate Connection - Install intrusion alarms	25,200	20,412	25,200
	<u>Willowbrook</u>			
51-	Willowbrook - Site lighting, install intrusion alarm	41,000	33,210	41,000
51-	CB-51 Connection - Install Intrusion Alarm	25,200	20,412	25,200
	<u>CBW</u>			
51-	Miscellaneous Bowl Replacement	80,000	47,700	53,000
	TOTAL WATER SUPPLY	3,463,800	303,389	2,922,000
52-	Miscellaneous street improvements	300,000	152,000	152,000
	TOTAL STREET IMPROVEMENTS	300,000	152,000	152,000
53-	Gate Valve Replacement	100,000	7,000	100,000
53-	Fire Hydrant Replacement	50,000	3,000	50,000
	<u>Bell / Bell Gardens</u>			
53-	Woodward, Gage to Bell 1,400' of 12", Phase I - Design and Permit	55,500	0	55,500

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	Selfland - acq easement + 700' of 8" main + serv (22700170), Phase I - Design and Permit	32,800	32,800	32,800
	<u>Florence Graham System</u> ?			
53-	87th St., Central to Zamora 1,500' of 8" (22800173), Phase I - Design and Permit	28,800	0	0
53-	Nadeau from Bell Ave. to Maie 1,500' 12" (22800192) - Permit and Construction	388,600	0	388,600
53-	Beach - Replace 500 ft. of 4" Stl & 600 ft. of 2" Stl w/ 8" DIP from alley w/o Beach from 88th to Firestone, Phase I - Design and Permit	49,300	49,300	49,300
53-	Graham - Install 2250 ft. of 12" DIP from 92nd to Firestone, Phase I -Design and Permit	56,700	56,700	56,700
53-	Grape - Replace 1100 ft. of 2" Stl. w/ 8" DIP in alley w/o Grape between 88th & Firestone, Phase I - Design and Permit	52,100	52,100	52,100
53-	Hickory - Replace 1100 ft. of 2" Stl. w/ 8" DIP in alley w/o Hickory between 88th & Firestone, Phase I -Design and Permit	51,600	51,600	51,600
	<u>Hollydale System</u>			
53-	Gardendale, Brock to Merkel, 800' of 12", Phase I - Design and Permit	52,900	0	0
53-	Harding/Paramount 250' 8" (22900092), Phase I - Design and Permit	25,900	25,900	25,900
53-	Main at Industrial 500' of 12" DI + RR (22900094), Phase I - Design and Permit	25,900	25,900	25,900
	<u>Willowbrook System</u>			
53-	Grandee Ave. and 131st, 450' of 8" (23000122), Phase I - Design and Permit	26,000	26,000	26,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>996,100</b>	<b>330,300</b>	<b>914,400</b>
55-	Bell/Bell Gardens Master Plan	108,000	0	108,000
55-	Florence-Graham Master Plan	156,800	0	156,800
55-	Hollydale Master Plan	104,100	0	104,100
55-	Willowbrook Master Plan	104,100	0	104,100
55-	Install 31 Sample Stations	178,700	178,700	178,700

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	TOTAL MISCELLANEOUS	651,700	178,700	651,700
57-	Contingency	145,900	105,500	116,700
	TOTAL CONTINGENCY	145,900	105,500	116,700
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	TOTAL NEW BUSINESS	260,000	260,000	260,000
B-01-	Meters - New Services & Replacement, Stuck	67,000	67,000	67,000
B-01-	Meter Replacement Program - Small	89,300	43,000	66,000
B-01-	Vault Lid Replacements	11,100	6,000	6,000
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	112,600	112,600
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	100,000	100,000
B-06-	Minor Main Replacement	100,000	11,000	100,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500
B-10-	Replace vehicle # 11 - Dump truck Mileage 113,127	89,000	89,000	89,000
B-10-	Replace vehicle - #378 Mileage 111,244	35,000	0	0
B-10-	Replace vehicle - #507 Mileage 108,272	35,000	0	0
B-10-	Replace vehicle - #776 Mileage 111,128	35,000	0	0
B-10-	Replace vehicle - #1023 Mileage 125,687	35,000	35,000	35,000
B-10-	Backhoe - replace #9	98,700	98,700	98,700
B-11-	Light Tower (one)	14,000	14,000	14,000
B-11-	Air compressor (two) - replace old compressors	30,000	30,000	30,000
B-11-	Jack Hammer (three)	7,500	7,500	7,500
B-11-	Ditch pump (two)	4,200	4,200	4,200
B-11-	14" Power Saw (two)	2,800	2,800	2,800
B-11-	Valve Machine	8,000	8,000	8,000
B-12-	Security System - Upgrade for Bell Gardens office	11,000	0	0

Golden State Water Company				
2006 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	TOTAL BLANKETS	899,200	642,800	754,800
	TOTAL GROSS COST	6,716,700	1,972,689	5,771,600
	LESS NEW BUSINESS FUNDED BY OTHERS	250,000	250,000	250,000
	TOTAL NET COST	6,466,700	1,722,689	5,521,600

Golden State Water Company				
2006 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
51-	Sentney - security fences, lighting and intrusion alarm	274,700	33,210	41,000
51-	Ranch Rd - security fences, lighting and intrusion alarm	73,200	33,210	41,000
51-	Bernardo - security fences, lighting and intrusion alarm	69,400	33,210	41,000
51-	Baldwin Hill Plant Slope Stabilization, Phase I - Design and Permit	89,100	80,190	89,100
51-	WB-24 Connection - Install Intrusion Alarm	25,300	20,493	25,300
51-	WB-34 Connection - Install Intrusion Alarm	25,300	20,493	25,300
	<b>TOTAL WATER SUPPLY</b>	<b>557,000</b>	<b>220,806</b>	<b>262,700</b>
52-	Miscellaneous street improvements	200,000	23,000	23,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>200,000</b>	<b>23,000</b>	<b>23,000</b>
53-	Gate Valve Replacement	100,000	14,000	100,000
53-	Hydrant Replacement	50,000	0	50,000
53-	Jacob, Helm to Sentney, 2,700' of 12", Phase I - Design and Permit	60,200	0	60,200
53-	Adams, Hines to Washington 500' of 8", Phase I - Design and Permit	42,500	42,500	42,500
53-	Overland, Oregon to Braddock, 2,100' of 12", Phase I - Design and Permit	55,600	0	0
53-	Fairbanks - replace 2000 ft. 6" CI w/ 8" DIP, Phase I - Design and Permit	57,400	0	57,400
53-	Dawes Ave. - replace 750 ft. of 4" CI with 8" DIP, Phase I - Design and Permit	46,800	46,800	46,800
53-	Dobson Way - replace 1000 ft. of 8" CI w/ 12" DIP, Phase I - Design and Permit	50,600	50,600	50,600
53-	Replace 700 ft. on Harter, 375 ft. on Franklin and 350 ft. of Farragut w/ 8" DIP, Phase I - Design and Permit	57,400	57,400	57,400
53-	Rhoda Way - 1700 ft. of 6" CI w/ 8" DIP, Phase I - Design and Permit	55,900	55,900	55,900
53-	Braddock Blvd, Irving & Van Buren to Overland, 5450' of 12" DIP, Phase II - Permit and Construction (funded by Charnock proceeds D.04-07-031)	1,195,700	0	1,195,700

Golden State Water Company				
2006 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	Ince Ave. & Culver Blvd., 180 ft. of 12" DIP, Phase II - Permit and Construction (funded by Charnock proceeds D.04-07.031)	75,300	67,770	75,300
53-	National Blvd., Washington to Wesley, 950 ft. of 12" DIP, Phase II - Permit and Construction (funded by Charnock proceeds D.04-07-031)	231,200	0	231,200
	TOTAL DISTRIBUTION IMPROVEMENTS	2,078,600	334,970	2,023,000
55-	Culver City Master Plan	101,200	0	101,200
55-	Install 11 Sample Stations	63,400	63,400	63,400
	TOTAL MISCELLANEOUS	164,600	63,400	164,600
57-	Contingency	114,800	75,800	88,500
	TOTAL CONTINGENCY	114,800	75,800	88,500
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	TOTAL NEW BUSINESS	260,000	260,000	260,000
B-01-	Meters - New Services & Replacement, Stuck	45,000	26,000	35,000
B-01-	Meter Replacement Program - Small	55,500	42,000	48,000
B-01-	Vault Lid Replacements	12,800	7,900	7,900
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	63,000	112,600
B-01-	Automatic Meter Reading	2,500	2,500	2,500
B-02-	Services	100,000	37,000	100,000
B-06-	Minor Main Replacement	100,000	100,000	100,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,000	3,000	3,000
B-09-	Office Furniture	2,500	2,500	2,500
B-10-	Replace vehicle #454 Mileage 152,783	69,200	69,200	69,200
B-10-	Replace vehicle #736 Mileage 105,878	26,900	0	0

Golden State Water Company				
2006 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-10-	Replace vehicle #780 Mileage 107,745	36,600	0	0
B-10-	Replace backhoe #7	98,700	98,700	98,700
B-11-	New portable air compressor	15,000	15,000	15,000
B-11-	Jackhammer	2,500	2,500	2,500
B-11-	Rockdrill	2,500	2,500	2,500
	TOTAL BLANKETS	688,300	474,800	602,400
	TOTAL GROSS COST	4,063,300	1,452,776	3,424,200
	LESS NEW BUSINESS FUNDED BY OTHERS	250,000	250,000	250,000
	TOTAL NET COST	3,813,300	1,202,776	3,174,200

Golden State Water Company				
2006 Capital Budget				
Region II: Southwest District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
55-	Conservation	280,000	0	0
	TOTAL MISCELLANEOUS	280,000	0	0
57-	Contingency	44,100	4,900	13,500
	TOTAL CONTINGENCY	44,100	4,900	13,500
B-09-	Office Furniture and Equipment	14,800	2,645	8,723
B-09-	Water Quality Laboratory Equipment	7,000	7,000	7,000
B-10-	Replace vehicle #619 Mileage 116,611	35,000	0	35,000
B-10-	Replace vehicle #730 Mileage 152,538	35,900	35,900	35,900
B-10-	New pool vehicle	26,900	0	26,900
B-11-	Miscellaneous tools and safety equipment	29,600	2,612	16,106
B-12-	Minor additions to general structures	11,900	1,120	5,000
	TOTAL BLANKETS	161,100	49,277	134,629
	TOTAL NET COST	485,200	54,177	148,129

Golden State Water Company				
2006 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
51-	Doty Plant iron and manganese treatment, Phase I - Design Review and Permit	37,900	0	37,900
51-	Doty Plant Booster Station Phase I - Design and Permit	67,500	0	0
51-	Dalton - Drill & Develop Dalton Well #2 and construct chemical building, Phase I - Design and Permit	245,300	0	0
51-	Wadsworth Replace Booster Station and Plant Piping, (25002149) Phase I - Design and Permit	191,800	75,595	75,595
51-	Ballona Plant - Discharge Piping	61,300	55,170	61,300
51-	Gardena Heights - Install drainage system (25002259), Phase II - construction	498,400	0	498,400
51-	Goldmedal - install backwash water storage tank, drain line and sitework (RWQCB Required)	478,800	0	478,800
51-	Southern Plant - demo concrete storage tank, close three driveways and replace with curb and gutter (City Request)	355,500	36,180	355,500
51-	All Active Well and Reservoir Sites - Chloramination Process Control Improvements	1,010,800	818,748	1,010,800
51-	WB #1 - Emergency Chlorination Station, Phase I - Design and Permit	83,000	0	Advice Letter
51-	Manhattan Plant - Slope grading and landscaping, Phase I - Design and Permit	15,500	13,950	15,500
51-	Chadron - Cost of Removal	364,000	294,840	364,000
51-	Miscellaneous Bowl Replacements	150,000	90,375	100,400
	<b>TOTAL WATER SUPPLY</b>	<b>3,559,800</b>	<b>1,384,858</b>	<b>2,998,195</b>
52-	Miscellaneous Street Improvements - Southwest	1,300,000	260,413	460,400
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>1,300,000</b>	<b>260,413</b>	<b>460,400</b>
53-	Gate Valve Replacements	300,000	212,278	256,139
53-	Fire Hydrant Replacements	200,000	92,748	146,374
	<i>Compton</i>			
53-	Compton Blvd., alley w/o Central Ave. to Dwight, 2,850' of 12", Phase I - Design and Permit	62,200	0	0

Golden State Water Company				
2006 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	<i>Gardena</i>			
53-	166th St., Normandie to Berendo, 2,300' of 8", Phase I - Design and Permit	59,500	53,550	59,500
53-	162nd St between Normandie and Budlong, 1,250' of 12", Phase I - Design and Permit	52,200	46,980	52,200
53-	Purche Ave., Rosecrans to 141st., 500' of 8" (25002092), Phase I - Design and Permit	20,600	0	20,600
53-	Denker Ave., Marine Ave. to Redondo Bch. Blvd., 1,700' of 12", Phase I - Design and Permit	50,000	45,000	50,000
53-	149th St. from Western to Halldale, 1600' of 8", Phase I - Design and Permit	59,500	0	59,500
53-	133rd St. - Eriel Ave east, 140' of 8", Design and Construct	77,500	62,775	77,500
53-	Vermont Ave. - Artesia north, 490' of 12", Design and Construct	121,500	98,415	121,500
	<i>Hawthorne</i>			
53-	Grevillea and Burin Ave. n/o Imperial Hwy., 1,900' of 8", Phase I - Design and Permit	53,000	0	53,000
	<i>Inglewood</i>			
53-	Prairie, 104th to 111th, 2,600' of 12", Phase I - Design and Permit	62,300	56,070	62,300
53-	95th Street from Ocean Gate to Redfern, 300' of 8", Design and Construct	96,000	77,760	96,000
	<i>Lennox</i>			
53-	104th St., Felton Ave. to Ocean Gate, 550' of 8", Phase I - Design and Permit	11,500	10,350	11,500
53-	Burl Ave. - Century Blvd. to Lennox, 1300' of 8", Design and Construct	372,300	301,563	372,300
53-	Burin Ave. - Centruy Blvd. to Lennox, 1200' of 8", Design and Construct	359,900	0	359,900
	<i>Lawndale</i>			
53-	Eastwood - 450' of 8" in easement and relocated services on Eastwood Design and Construct (City Request)	178,400	144,504	178,400
53-	Freeman Ave., 165th St. to alley n/o Redondo Bch. Blvd., 1,650' of 8", Design review and construct (City Request)	457,400	370,494	457,400
53-	162nd, Prairie to Sombra, 1800' of 8", Design review and construct (City Request)	460,300	372,843	460,300
53-	160th, Prairie to Sombra, 2050' of 8" Design and Construct (City Request)	497,400	402,894	497,400
	<i>County of Los Angeles/Rosewood Area</i>			

Golden State Water Company				
2006 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	El Segundo Blvd., Broadway to Main, 1,450' of 12" (25002024), Phase I - Design and Permit	49,500	0	0
53-	El Segundo Blvd., Towne Ave. to Avalon Blvd., 800' of 12", Phase I - Design and Permit	45,800	0	45,800
<i>County of Los Angeles/Woodcrest Area</i>				
53-	120th e/o Budlong, 1,350' of 12", Phase I - Design and Permit	65,000	58,500	65,000
53-	108th St., Denker Ave. to alley w/o Western Ave., 1,500' of 12", Phase I - Design and Permit	52,200	46,980	52,200
TOTAL DISTRIBUTION IMPROVEMENTS		3,764,000	2,453,704	3,554,813
55-	Southwest Master Plan	144,800	0	144,800
55-	Install 36 Sampling Stations	208,300	208,300	208,300
TOTAL MISCELLANEOUS		353,100	208,300	353,100
57-	Contingency	413,700	292,100	322,900
TOTAL CONTINGENCY		413,700	292,100	322,900
60-	New Business Funded by SCWC	15,000	15,000	15,000
60-	New Business Funded by Others	745,000	745,000	745,000
TOTAL NEW BUSINESS		760,000	760,000	760,000
B-01-	Meters - New Services & Replacement, Stuck	85,000	85,000	85,000
B-01-	Meter Replacement Program - Small	163,100	80,152	100,000
B-01-	Vault Lid Replacements	54,000	31,291	42,000
B-01-	Meter Replacement Program - Large (manifold replacement)	249,000	249,000	249,000
B-01-	Automatic Meter Reading - SW	5,000	5,000	5,000
B-02-	Services	400,000	400,000	400,000
B-06-	Minor Main Replacement	1,000,000	956,750	1,000,000
B-07-	Minor Pumping Plant Equipment and Structures	10,000	0	10,000
B-08-	Minor Purification Equipment and Structures	15,000	0	15,000
B-10-	Replace Vehicle #270 Mileage 146,257	33,000	33,000	33,000
B-10-	Replace Vehicle #272 Mileage 135,537	33,000	33,000	33,000
B-10-	New Vehicle	0	0	26,900

Golden State Water Company				
2006 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-11-	Safety Equipment	30,000	975	10,000
	TOTAL BLANKETS	2,077,100	1,874,168	2,008,900
	TOTAL GROSS COST	12,227,700	7,230,944	10,458,308
	LESS NEW BUSINESS FUNDED BY OTHERS	745,000	745,000	745,000
	TOTAL NET COST	11,482,700	6,485,944	9,713,308

## 2007 Capital Budget

Golden State Water Company				
2007 Proposed Capital Budget				
Region II - Summary				
Budget		Proposed	DRA	
Group	Description	Budget	Recommended	Settlement
	<b>General</b>			
51-	Water Supply	14,464,900	5,181,337	9,302,000
52-	Street Improvements	1,800,000	524,413	936,400
53-	Distribution Improvements	11,529,300	5,614,963	9,319,100
55-	Miscellaneous	854,000	45,000	294,000
57-	Contingency	761,900	494,850	575,850
	<b>Total General</b>	<b>29,410,100</b>	<b>11,860,563</b>	<b>20,427,350</b>
	<b>New Business</b>			
60-	New Business	1,545,000	1,545,000	1,545,000
	Less Funded by Others	(1,500,000)	(1,500,000)	(1,500,000)
	<b>Net New Business</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
	<b>Blankets</b>			
B-01-	Meters	1,385,400	941,144	982,900
B-02-	Services	700,000	609,000	609,000
B-06-	Minor Main Replacements	1,300,000	1,099,750	1,300,000
B-07-	Minor Pumping Plant Equipment	19,000	9,000	19,000
B-08-	Minor Purification Equipment	25,000	10,000	25,000
B-09-	Office Furniture and Equipment	145,800	73,460	108,670
B-10-	Transportation Equipment	735,000	224,000	613,300
B-11-	Other Equipment	136,300	78,381	111,700
B-12-	Minor Additions to General Structures	66,900	1,660	40,000
	<b>Total Blankets</b>	<b>4,513,400</b>	<b>3,046,394</b>	<b>3,809,570</b>
	<b>Total Region II</b>	<b>33,968,500</b>	<b>14,951,958</b>	<b>24,281,920</b>
	<b>Total Gross Budget</b>	<b>35,468,500</b>	<b>16,451,958</b>	<b>25,781,920</b>

Golden State Water Company				
2007 Capital Budget				
Region II: Headquarters Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
57-	Contingency	10,700	1,290	1,900
	<b>TOTAL CONTINGENCY</b>	10,700	1,290	1,900
B-09-	Replace 47 PCs & 15 printers	82,000	51,419	60,900
B-09-	Office furniture	25,000	0	15,000
	<b>TOTAL BLANKETS</b>	107,000	51,419	75,900
	<b>TOTAL NET COST</b>	117,700	52,709	77,800

Golden State Water Company				
2007 Capital Budget				
Region II: Central District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
55-	Conservation Projects	280,000	0	0
	<b>TOTAL MISCELLANEOUS</b>	280,000	0	0
57-	Contingency	40,800	6,500	13,400
	<b>TOTAL CONTINGENCY</b>	40,800	6,500	13,400
B-09-	Office Furniture	10,000	5,300	10,000
B-10-	Replace Vehicle #1100 Mileage 123,996	0	35,900	35,900
B-10-	Replace Vehicle #766 Mileage 120,922	0	0	48,100
B-10-	Replace vehicle #769 Mileage 113,483	49,800	0	0
B-10-	Replace vehicle #989 Mileage 103,223	27,800	0	0
B-11-	Misc. Tools & Safety Equipment	25,000	23,000	25,000
B-12-	Minor Additions to General Structures	15,000	500	15,000
	<b>TOTAL BLANKETS</b>	127,600	64,700	134,000
	<b>TOTAL NET COST</b>	<b>448,400</b>	<b>71,200</b>	<b>147,400</b>

Golden State Water Company				
2007 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	<u>Artesia (219)</u>			
51-	Centralia - install new suction (seismic) to boosters	110,700	89,667	110,700
51-	Vine - Destroy Well	81,700	7,533	30,300
	<u>Norwalk (220)</u>			
51-	Pioneer - Install drainline, Phase II - Construction	378,200	0	378,200
51-	Pioneer - Install well treatment for two wells and relocate wellhead			
	treatment for one well - Phase II Construction	3,082,900	2,497,149	3,082,900
51-	Pioneer - (22000205) Construct two chemical buildings	377,400	0	269,500
51-	Studebaker - (22000206) Construct chemical building	235,300	0	181,200
51-	Studebaker - install drainline, Phase II - Construction	298,500	0	298,500
	<u>CBE</u>			
51-	Miscellaneous - Bowls	60,000	35,100	39,000
	<b>TOTAL WATER SUPPLY</b>	<b>4,624,700</b>	<b>2,629,449</b>	<b>4,390,300</b>
52-	Miscellaneous Street Improvements	300,000	88,000	88,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>300,000</b>	<b>88,000</b>	<b>300,000</b>
	<u>Artesia (219)</u>			
53-	221st St. from Arline Ave. to Clarkdale, 350 ft. of 8" DI, Phase I - Design and Permit	40,700	36,630	40,700
53-	Arline from 183rd St. south, 700 ft. of 8" DI, Phase I - Design and Permit	36,900	33,210	36,900
53-	183rd from Seine Ave. to Elaine Ave., 600 ft. of 8" DI, Phase I - Design and Permit	37,900	34,110	37,900
53-	179th from Horst to Norwalk, 650 ft. of 8" DI, Phase I - Design and Permit	37,900	34,110	37,900
53-	Grayland from 183rd to Ashworth, 1200 ft. of 8" DI, Phase I - Design and Permit	40,500	36,450	40,500
	<u>Norwalk (220)</u>			
53-	Mondon Ct. 100' 8" DI (22000215), Phase II - Construction	55,900	45,279	55,900
53-	Spry West/Arlee, 200ft of 8" DI (22000216), Phase II - Construction	89,600	72,576	89,600
53-	Inez, Sundance to Lakeland Ave., 1,150 ft. of 8", Phase I - Design and Permit	37,600	0	37,600
53-	Arlee, Tina to Allard, 550 ft. of 10", Phase I - Design and Permit	36,900	0	36,900
	<u>CBE</u>			
53-	Valve replacements	75,000	900	75,000

Golden State Water Company				
2007 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	Fire hydrant replacements	70,000	2,250	70,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>558,900</b>	<b>295,515</b>	<b>558,900</b>
57-	Contingency	84,700	51,000	57,800
	<b>TOTAL CONTINGENCY</b>	<b>84,700</b>	<b>51,000</b>	<b>57,800</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	67,000	36,000	36,000
B-01-	Meter Replacement Program - Small	97,700	34,000	34,000
B-01-	Vault Lid Replacements	7,900	13,000	13,000
B-01-	Meter Replacement Program - Large (manifold replacement)	45,200	45,200	45,200
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	71,000	71,000
B-06-	Minor Main Replacement	100,000	32,000	100,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500
B-09-	Office Renovation (paint, carpet, furniture)	5,000	5,000	5,000
B10-	Replace vehicle #775 Mileage 108,386	37,600	0	0
B10-	Replace vehicle #777 Mileage 103,352	37,600	0	0
B10-	Replace vehicle #1029 Mileage 115,539	37,600	0	0
B10-	New Vehicle	37,600	0	0
	<b>TOTAL BLANKETS</b>	<b>587,200</b>	<b>250,200</b>	<b>318,200</b>
	<b>TOTAL GROSS COST</b>	<b>6,415,500</b>	<b>3,574,164</b>	<b>5,885,200</b>
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
	<b>TOTAL NET COST</b>	<b>6,165,500</b>	<b>3,324,164</b>	<b>5,635,200</b>

Golden State Water Company				
2007 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
	<u>Bell / Bell Gardens (227)</u>			
51-	Bissell Well Treatment, Phase II - Construction	2,381,100	830,956	1,025,900 (Advice Letter 1,355,200)
51-	Watson - install drainline	357,300	0	0
	<u>Florence-Graham (228)</u>			
51-	Miramonte - replace pump base, install piping, replace pump house for Well #1, (22800160) Phase II - Construction	449,100	0	312,600
51-	Nadeau - Replace pump base (22800157)	128,200	0	0
	<u>Hollydale (229)</u>			
51-	Coolidge - install new suction (seismic) to boosters, Phase I - Design	46,400	41,760	46,400
	<u>Willowbrook (230)</u>			
51-	Willowbrook - seismic upgrade, Phase I - Design and Permit	46,400	41,760	46,400
	<u>CBW</u>			
51-	Misc. Bowls Replacement	80,000	47,700	53,000
	<b>TOTAL WATER SUPPLY</b>	<b>3,488,500</b>	<b>962,176</b>	<b>1,484,300</b>
52-	Miscellaneous street improvements	300,000	153,000	153,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>300,000</b>	<b>153,000</b>	<b>153,000</b>
	<u>Bell / Bell Gardens (227)</u>			
53-	Woodward, Gage to Bell 1,400' of 8", Phase II - Construction	411,100	0	411,100
53-	Selfland - acquire easement, 700' of 8" main and relocate services (22700170), Phase II - Construction	130,200	105,462	130,200
	<u>Florence-Graham (228)</u>			
53-	Beach, 88th to Firestone, 1100 ft. of 8", Phase II - Construction	302,800	245,268	302,800
53-	Graham, 92nd St. to Firestone, 2250 ft. of 12", Phase II - Construction	645,300	522,693	645,300
53-	Grape, 88th and Firestone 1100 ft. of 8", Phase II - Construction	258,900	209,709	258,900
53-	Hickory, 88th and Firestone, 1100 ft. of 8", Phase II - Construction	260,400	210,924	260,400
53-	Hooper - Install 1600' of 12" DIP from 69th St. to Gage, Phase I - Design & Permit	67,300	60,570	67,300

Golden State Water Company				
2007 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	Ivy, 88th to Firestone, 900' of 8", Phase I - Design and Permit	61,000	54,900	61,000
53-	Bandera, 87th to 88th, 550' of 8", Phase I - Design and Permit	59,700	53,730	59,700
	<u>Hollydale (229)</u>			
53 -	Main at Industrial 500' of 12" + RR (22900094), Phase II - Construction	267,200	216,432	267,200
53-	Easement east of Paramount on n/s of Golden, Abandon 250 ft. of 2" Stl Pipe (22900077), Phase I - Design and Permit	8,300	7,470	8,300
	<u>Willowbrook (230)</u>			
53-	131st, w/o Grandee Ave. 450' of 8" (23000117), Phase II - Construction	169,500	137,295	169,500
53-	131st, w/o Grandee to Compton, 700 ft. of 8", Phase I - Design and Permit	50,500	45,450	50,500
	<u>CBW</u>			
53-	Valve Replacements	100,000	6,300	100,000
53-	Fire Hydrant Replacements	50,000	2,700	50,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>2,842,200</b>	<b>1,878,903</b>	<b>2,842,200</b>
55-	Bissell - Install a new two-truck garage and warehouse, Phase I - Design and Permit	169,000	0	169,000
	<b>TOTAL MISCELLANEOUS</b>	<b>169,000</b>	<b>0</b>	<b>169,000</b>
57-	Contingency	73,900	61,560	74,150
	<b>TOTAL CONTINGENCY</b>	<b>73,900</b>	<b>61,560</b>	<b>74,150</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	69,000	69,000	69,000
B-01-	Meter Replacement Program - Small	75,500	43,000	43,000
B-01-	Vault Lid Replacements	7,900	6,000	7,900
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	112,600	112,600
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	100,000	100,000
B-06-	Minor Main Replacement	100,000	11,000	100,000

Golden State Water Company				
2007 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500
B-10-	Replace Vehicle 776 mileage 126,030			35,000
	<b>TOTAL BLANKETS</b>	479,000	355,600	481,500
	<b>TOTAL GROSS COST</b>	<b>7,612,600</b>	<b>3,671,239</b>	<b>5,464,150</b>
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	250,000	250,000	250,000
	<b>TOTAL NET COST</b>	<b>7,362,600</b>	<b>3,421,239</b>	<b>5,214,150</b>

Golden State Water Company				
2007 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
51-	Baldwin Hill Plant Slope Stabilization, Phase II - Construction	1,047,500	848,475	1,047,500
51-	Perham - Slope stabilization, Phase I - Design and Permit	105,700	95,130	105,700
	<b>TOTAL WATER SUPPLY</b>	<b>1,153,200</b>	<b>943,605</b>	<b>1,153,200</b>
52-	Miscellaneous street improvements	200,000	23,000	23,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>200,000</b>	<b>23,000</b>	<b>23,000</b>
53-	Jacob, Helm to Sentney, 2700 ft. of 12", Phase II - Construction	609,300	0	609,300
53-	Adams, Hines to Washington, 500 ft. of 8", Phase II - Construction	163,900	132,759	163,900
53-	Overland, Oregon to Braddock, 2,100 ft. of 12", Phase II - Construction	588,200	0	0
53-	Dobson Way, 1000 ft. of 8", Phase II - Construction	307,500	249,075	307,500
53-	Harter, Franklin & Farragut 1425 ft of 8", Phase II - Construction	374,500	303,345	374,500
53-	Rhoda Way - 1700 ft. of 6" CI w/ 8" DIP, Phase II - Construction	415,600	336,636	415,600
53-	Hydrants Replacement	50,000	0	50,000
53-	Gate Valve Replacements	100,000	12,600	100,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>2,609,000</b>	<b>1,034,415</b>	<b>2,020,800</b>
55-	Charnock - Build concrete stalls to hold bulk material (ie. Dirt, asphalt, base, sand)	80,000	0	80,000
	<b>TOTAL MISCELLANEOUS</b>	<b>80,000</b>	<b>0</b>	<b>80,000</b>
57-	Contingency	71,500	61,500	61,500
	<b>TOTAL CONTINGENCY</b>	<b>71,500</b>	<b>61,500</b>	<b>61,500</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>

Golden State Water Company				
2007 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-01-	Meters - New Services & Replacement, Stuck	46,500	26,000	26,000
B-01-	Meter Replacement Program - Small	75,700	43,000	43,000
B-01-	Vault Lid Replacements	7,900	7,900	7,900
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	64,000	64,000
B-01-	Automatic Meter Reading	2,500	2,500	2,500
B-02-	Services	100,000	38,000	38,000
B-06-	Minor Main Replacement	100,000	100,000	100,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,000	3,000	3,000
B-09-	Office Furniture and Equipment	4,000	4,000	4,000
B-10-	Replace Vehicle #736 Mileage 122778	0	26,900	26,900
B-10-	Replace Vehicle #780 Mileage 122723	0	36,600	36,600
	<b>TOTAL BLANKETS</b>	<b>455,200</b>	<b>354,900</b>	<b>354,900</b>
	<b>TOTAL GROSS COST</b>	<b>4,828,900</b>	<b>2,677,420</b>	<b>3,953,400</b>
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
	<b>TOTAL NET COST</b>	<b>4,578,900</b>	<b>2,427,420</b>	<b>3,703,400</b>

Golden State Water Company				
2007 Capital Budget				
Region II: Southwest District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
55-	Conservation	280,000	0	0
	<b>TOTAL MISCELLANEOUS</b>	280,000	0	0
57-	Contingency	42,000	4,200	5,400
	<b>TOTAL CONTINGENCY</b>	42,000	4,200	5,400
B-09-	Office Furniture and Equipment	14,800	2,741	8,770
B-10-	Replace Vehicle #704 Mileage 101,050	27,800	0	0
B-10-	Replace Vehicle #731 Mileage 108,445	27,800	0	0
B-10-	Replace Vehicle #737 Mileage 103,630	27,800	0	0
B-10-	Replace Vehicle #619 Mileage 127,135	0	35,000	35,000
B-11-	Miscellaneous tools and safety equipment	29,600	2,706	5,000
B-12-	Minor additions to general structures	11,900	1,160	5,000
	<b>TOTAL BLANKETS</b>	139,700	41,607	53,770
	<b>TOTAL NET COST</b>	461,700	45,807	59,170

Golden State Water Company				
2007 Proposed Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
51-	Doty Iron & Manganese Treatment, Phase II - Construction	1,264,300	0	1,264,300
51-	Dalton - Drill Well #2 and construct chemical building, Phase II -Demolish Reservoir	972,300	0	0
51-	Chadron - Replace booster pump station and chemical building, Phase I - Design and Permit	322,200	0	0
51-	Chadron - replace drainage system for tank overflow, Phase I - Design and Permit	50,300	45,270	50,300
51-	Gardena Heights - replace two horizontal booster pumps A and B with vertical pumps and paving	503,900	0	0
51-	Replace Yukon A and B booster pump	97,800	79,218	97,800
51-	Athens - install drainline, corrosion control chemical system and plant site paving	676,800	0	0
51-	Ballona - building demolition and paving, Phase I - Design and Permit	68,400	61,560	68,400
51-	Budlong - Construct two 1.5 MG reservoirs, Phase I - Design and Permit	236,600	0	236,600
51-	Manhattan - Slope grading and landscaping, Phase II - Construction	216,400	175,284	216,400
51-	WB #1 - Emergency Chlorination Station, Phase II - Construction	389,500	0	Advice Letter
51-	Chadron - Cost of Removal	240,000	194,400	240,000
51-	Miscellaneous Bowls Replacement	160,000	90,375	100,400
	<b>TOTAL WATER SUPPLY</b>	<b>5,198,500</b>	<b>646,107</b>	<b>2,274,200</b>
52-	Miscellaneous Street Improvements - Southwest	1,000,000	260,413	460,400
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>1,000,000</b>	<b>260,413</b>	<b>460,400</b>
	<i>Compton</i>			
53-	Compton Blvd., alley w/o Central Ave. to Dwight, 2,850' of 12", Phase II - Construction	798,000	0	0
	<i>Gardena</i>			
53-	Purche Ave., Rosecrans to 141st., 500' of 8" DIP (25002092), Phase II Construction	230,900	0	230,900
53-	Denker Ave., Marine Ave. to Redondo Bch. Blvd., 1,700' of 12" DIP, Phase II - Construction	384,800	311,688	384,800
53-	149th, Western to Halldale, Phase II - Construction	306,900	0	306,900
53-	168th St, Mayflower to Vermont, Phase I - Design & Permit	48,100	43,290	48,100
53-	New Hampshire, 168th to south end, Phase I - Design & Permit	44,700	40,230	44,700
53-	Catalina, 168th to south end, Phase I - Design & Permit	44,700	40,230	44,700
53-	Budlong, 168th to s/o 170th, Phase I - Design & Permit	44,700	40,230	44,700
53-	Re-Chlorination Stations, Phase I - Design & Permit	70,600	0	0
	<i>Hawthorne</i>			

Golden State Water Company				
2007 Proposed Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
53-	Grevillea and Burin Ave. n/o Imperial Hwy., 1,900' of 8" DI, Phase II - Construction	465,400	0	465,400
	<i>Inglewood</i>			
53-	Prairie, 104th to 111th, 2,600' of 12" and 200' of 8" DI, Phase II - Construction	819,800	664,038	819,800
	<i>County of Los Angeles/Lennox Area</i>		0	
53-	104th St., Felton Ave. to Ocean Gate, 550' of 8", Phase II - Construction	156,700	126,927	156,700
	<i>County of Los Angeles/Rosewood Area</i>		0	
53-	El Segundo Blvd., Broadway to Main, 1,450' of 12" (25002024), Phase II - Construction	511,800	0	0
	<i>County of Los Angeles/Woodcrest Area</i>			
53-	120th St. e/o Budlong, 1350' of 12" DI and valve vault at Budlong and 120th Phase II - Construction	401,600	325,296	401,600
53-	108th St., Denker Ave. to alley w/o Western Ave., 1,500' of 12", Phase II - Construction	441,500	357,615	441,500
53-	Denker Ave. 108th to 110th, 1,250' of 12", Phase I - Design and Permit	56,200	50,580	56,200
53-	107th - Vermont to Normandie, Phase I Design and Permit	55,900	50,310	55,900
53-	122nd - Vermont to Budlong, Phase I - Design and Permit	56,300	50,670	56,300
	<i>Southwest</i>			
53-	Normandie Gradient Regulators Phase I - PDR, Design and Permit	80,600	0	0
53-	Gate Valves Replacements	300,000	212,278	235,900
53-	Fire Hydrant Replacements	200,000	92,748	103,100
		5,519,200	2,406,130	3,897,200
55-	Chadron - Add Storage Facilities in Building	45,000	45,000	45,000
		45,000	45,000	45,000
57-	Contingency	438,300	308,800	361,700
		438,300	308,800	361,700
60-	New Business Funded by SCWC	15,000	15,000	15,000
60-	New Business Funded by Others	750,000	750,000	750,000
		765,000	765,000	765,000
B-01-	Meters - New Services and Repl., Small Stuck	87,500	87,500	87,500
B-01-	Meters - Small Replacements	306,400	80,152	120,000
B-01-	Vault Lid Replacement	23,500	31,291	31,300
B-01-	Meters - Large Replacements	225,000	225,000	225,000
B-01-	Meters - AMR for hard to read areas	5,000	5,000	5,000

Golden State Water Company				
2007 Proposed Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Stipulation
B-02-	Services	400,000	400,000	400,000
B-06-	Minor main replacements	1,000,000	956,750	1,000,000
B-07-	Minor pumping plant replacements	10,000	0	10,000
B-08-	Minor purification	15,000	0	15,000
B-10-	Replace Vehicle #469, Mileage 105,432	49,800	0	49,800
B-10-	Replace Vehicle #790 Mileage 103,420	41,500	0	41,500
B-10-	Replace Vehicle #791 Mileage 120,464	41,500	0	41,500
B-10-	Replace Vehicle #981 Mileage 121,458	39,000	39,000	39,000
B-10-	Replace Vehicle #1011 Mileage 120,819	37,600	37,600	37,600
B-10-	Replace Vehicle #1101 Mileage 116,465	27,800	0	0
B-10-	Replace Vehicle # 265- Backhoe	88,300	88,300	88,300
B-10-	New Vehicle - Dump Truck	98,100	98,100	98,100
B-11-	Safety equipment	30,000	975	30,000
B-11-	3 New Jackhammers	2,800	2,800	2,800
B-11-	New Valve Machine, and valve vacuum cleaner	48,900	48,900	48,900
B-12-	Minor additions to general structures	40,000	0	20,000
		2,617,700	2,062,368	2,391,300
		15,583,700	6,493,819	10,194,800
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	750,000	750,000	750,000
		14,833,700	5,743,819	9,444,800

## 2008 Capital Budget

Golden State Water Company				
2008 Capital Budget				
Region II - Summary				
Budget		Proposed	DRA	
Group	Description	Budget	Recommended	Stipulation
	<b>General</b>			
51-	Water Supply	19,107,300	3,568,074	9,408,290
52-	Street Improvements	1,800,000	704,413	727,400
53-	Distribution Improvements	12,465,400	5,043,013	8,690,000
55-	Miscellaneous	965,700	-	405,700
57-	Contingency	790,700	573,260	580,980
	<b>Total General</b>	<b>35,129,100</b>	<b>9,888,761</b>	<b>19,812,370</b>
	<b>New Business</b>			
60-	New Business	1,545,000	1,545,000	1,545,000
	Less Funded by Others	(1,500,000)	(1,500,000)	(1,500,000)
	<b>Net New Business</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
	<b>Blankets</b>			
B-01-	Meters	1,233,800	949,344	994,200
B-02-	Services	700,000	672,000	672,000
B-06-	Minor Main Replacements	1,300,000	1,100,750	1,203,000
B-07-	Minor Pumping Plant Equipment	19,000	9,000	14,000
B-08-	Minor Purification Equipment	25,000	10,000	15,000
B-09-	Office Furniture and Equipment	161,800	64,437	100,700
B-10-	Transportation Equipment	360,700	231,800	499,100
B-11-	Other Equipment	134,300	76,440	82,700
B-12-	Minor Additions to General Structures	66,900	1,686	15,000
	<b>Total Blankets</b>	<b>4,001,500</b>	<b>3,115,457</b>	<b>3,595,700</b>
	<b>Total Region II</b>	<b>39,175,600</b>	<b>13,049,217</b>	<b>23,453,070</b>
	<b>Total Gross Budget</b>	<b>\$40,675,600</b>	<b>\$14,549,217</b>	<b>\$24,953,070</b>

Golden State Water Company				
2008 Capital Budget				
Region II: Headquarters Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
57-	Contingency	17,100	1,300	1,920
	<b>TOTAL CONTINGENCY</b>	17,100	1,300	1,920
B-09-	Replace 47 PCs & 15 printers	82,000	51,236	61,900
B-09-	Office furniture	25,000	0	15,000
B-09-	Replace Automatic Vehicle Location Units	25,000	0	0
B-10-	Replace Vehicle #1137 Mileage 102,440	38,500	0	0
	<b>TOTAL BLANKETS</b>	170,500	51,236	76,900
	<b>TOTAL NET COST</b>	<b>187,600</b>	<b>52,536</b>	<b>78,820</b>

Golden State Water Company				
2008 Capital Budget				
Region II: Central District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
55-	Conservation Projects	280,000	0	0
	<b>TOTAL MISCELLANEOUS</b>	280,000	0	0
57-	Contingency	38,200	7,700	12,500
	<b>TOTAL CONTINGENCY</b>	38,200	7,700	12,500
B-09-	Office Furniture	10,000	5,400	10,000
B-10-	Replace Vehicle #982 mileage 108,641	51,500	0	0
B-10-	Replace Vehicle #769	0	0	49,800
B-10-	Replace Vehicle #771 mileage 125,649	0	48,100	0
B-10-	Replace Vehicle #775 mileage 121,671	0	0	37,600
B-11-	Misc. Tools & Safety Equipment	25,000	23,000	23,000
B-12-	Minor Additions to General Structures	15,000	500	5,000
	<b>TOTAL BLANKETS</b>	101,500	77,000	125,400
	<b>TOTAL NET COST</b>	<b>419,700</b>	<b>84,700</b>	<b>137,900</b>

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	<u>Artesia (219)</u>			
51-	Armstrong - Fencing	208,600	0	0
	<u>CBE</u>			
51-	Miscellaneous - Bowls	60,000	36,000	36,000
	<b>TOTAL WATER SUPPLY</b>	<b>268,600</b>	<b>36,000</b>	<b>36,000</b>
52-	Miscellaneous Street Improvements	300,000	89,000	89,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>300,000</b>	<b>89,000</b>	<b>89,000</b>
	<u>Artesia (219)</u>			
53-	221st St., Arline Ave. to Clarkdale, 350' of 8", Phase II - Construction	100,100	81,081	100,100
53-	Arline, 183rd St. south, 700' of 8", Phase II - Construction	178,700	144,747	178,700
53-	183rd, Seine Ave. to Elaine Ave., 600' of 8", Phase II - Construction	160,800	130,248	160,800
53-	179th, Horst to Norwalk, 650' of 8", Phase II - Construction	163,200	132,192	163,200
53-	Grayland, 183rd to Ashworth, 1200' of 8", Phase II - Construction	266,700	216,027	266,700
53-	Pioneer Blvd; South St to 195th St, 2000' of 18" & 500' of 12", Design Review and Construct	794,200	0	0
53-	Pioneer Blvd; 195th St to Los Coyotes, 1850' of 18", Design Review and Construct	703,500	0	0
	<u>Norwalk (220)</u>			
53-	Inez, Sundance to Lakeland Rd., 1,150' of 8" DI, Phase II - Construction	291,100	0	291,100
53-	Arlee, Tina to Allard, 550' of 10" DI, Phase II - Construction	132,400	0	132,400
53-	Silverbow, Avonlea to Markdale, 1650' of 8", Phase I - Design and Permit	59,000	0	59,000
53-	Allard, Alley e/o Pioneer to Gwynne St., 150' of 10" & 800' of 8", Phase I - Design and Permit	50,700	0	50,700
53-	Avonlea, Silverbow to Civic Center, 1150' of 8", Phase I - Design and Permit	56,300	0	56,300
53-	Bayla St, Brink Ave. to Gwynne Ave., 800' of 8", Phase I - Design and Permit	49,400	0	49,400
53-	Brink, Pantheon to Bombardier, 1950' of 8", Phase I - Design and Permit	58,200	0	58,200
53-	Goller Ave, Civic Center to Silverbow, 1450' of 8", Phase I - Design and Permit	58,200	0	58,200
53-	Inez, Sundance Ave. to Florence Ave. North, 900' of 8", Phase I - Design and Permit	49,800	0	49,800
53-	Inez, Virginia to Lakeland, 520' of 8" & 150' of 6", Phase I - Design and Permit	50,200	0	50,200

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
53-	Kenney St., Brink Ave. to Bombardier Ave., 1100' of 8", Phase I - Design and Permit	53,900	0	53,900
53-	Leland and Sundance, Florence to Lakeland, 2250' of 8", Phase I - Design and Permit	64,600	0	64,600
53-	Markdale, Dace to Bloomfield, 3050' of 8", Phase I - Design and Permit	68,000	0	68,000
53-	Pantheon, Arlee to Gwynne, 1250' of 8", Phase I - Design and Permit	56,200	0	56,200
53-	Sproul, Esmond, Delavan, Silverbow, Belfair, Araby, Firestone, 5800' of 8", Phase I - Design and Permit	91,600	0	91,600
53-	Thistle, Dace, and Silverbow, 2800' of 8", Phase I - Design and Permit	71,100	0	71,100
53-	Volunteer and Dace, Civic Center to Silverbow, 2150' of 8", Phase I - Design and Permit	64,200	0	64,200
53-	Pluton, Brink to Bombardier, 850' of 8", Phase I - Design and Permit	49,800	0	49,800
	<u>CBE</u>			
53-	Valve replacements	75,000	900	75,000
53-	Fire hydrant replacements	50,000	2,250	45,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>3,866,900</b>	<b>707,445</b>	<b>2,364,200</b>
57-	Contingency	95,700	67,100	63,900
	<b>TOTAL CONTINGENCY</b>	<b>95,700</b>	<b>67,100</b>	<b>63,900</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	69,000	36,000	40,000
B-01-	Meter Replacement Program - Small	61,300	34,000	35,000
B-01-	Vault Lid Replacements	7,900	13,000	13,000
B-01-	Meter Replacement Program - Large (manifold replacement)	45,200	45,200	45,200
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	72,000	72,000
B-06-	Minor Main Replacement	100,000	33,000	33,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin East CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
B-10-	Replace Vehicle #775	0	37,600	0
B-10-	Replace Vehicle #1029 mileage 132,361	0	37,600	37,600
	<b>TOTAL BLANKETS</b>	397,400	322,400	289,800
	<b>TOTAL GROSS COST</b>	5,188,600	1,481,945	3,102,900
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	250,000	250,000	250,000
	<b>TOTAL NET COST</b>	4,938,600	1,231,945	2,852,900

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	<u>Bell / Bell Gardens (227)</u>			
51-	Bissell - seismic retrofit new suction to boosters	151,600	122,796	151,600
	<u>Florence-Graham (228)</u>			
51-	Converse - seismic retrofit new suction to boosters	149,100	120,771	149,100
51-	Miramonte - demolition elevated tank	779,500	631,395	779,500
	<u>Hollydale (229)</u>			
51-	Coolidge - install new suction (seismic) to boosters, Phase II - Construction	161,300	130,653	161,300
	<u>Willowbrook (230)</u>			
51-	Willowbrook - seismic upgrades, Phase II - Construction	139,400	112,914	139,400
	<u>CBW</u>			
51-	Misc. Bowls	80,000	48,600	48,600
	<b>TOTAL WATER SUPPLY</b>	<b>1,460,900</b>	<b>1,167,129</b>	<b>1,429,500</b>
52-	Miscellaneous street improvements	300,000	155,000	155,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>300,000</b>	<b>155,000</b>	<b>155,000</b>
	<u>Florence-Graham (228)</u>			
53-	87th St., Central to Zamora 1,500' of 8" (22800173), Phase II - Construction	306,100	0	0
53-	Hooper, 69th St. to Gage, 1,600 ft of 12", Phase II - Construction	483,900	391,959	483,900
53-	Ivy, 88th St. to Firestone, 900 ft. of 8", Phase II - Construction	226,100	183,141	226,100
53-	Bandera, 87th to 88th, 550 ft. of 8", Phase II - Construction	123,300	99,873	123,300
	<u>Hollydale (229)</u>			
53-	Gardendale Avenue, Brock to Merkelinstall, 800 ft of 12", Phase II - Construction	234,100	0	0
53-	Harding and Paramount, 250 ft of 8" DIP (22900092), Phase II - Construction	115,500	93,555	115,500
53-	Easement east of Paramount n/s of Golden, Abandon 2" stl. (22800077), Phase II - Construction	51,100	41,391	51,100
53-	Century, Pennsylvania to Florence (22800091), 2200 ft of 8", Review & Construct	448,700	0	448,700
	<u>Willowbrook (230)</u>			
53-	131st, Grandee to Compton, 700 ft. of 8", Phase II - Construction	151,200	122,472	151,200

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	<u>CBW</u>			
53-	Valve Replacements	100,000	6,300	75,000
53-	Fire Hydrant Replacements	50,000	2,700	45,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>2,290,000</b>	<b>941,391</b>	<b>1,719,800</b>
55-	Bissell - Install a new two-truck garage and warehouse, Phase II - Construction	405,700	0	405,700
	<b>TOTAL MISCELLANEOUS</b>	<b>405,700</b>	<b>0</b>	<b>405,700</b>
57-	Contingency	100,100	77,260	90,160
	<b>TOTAL CONTINGENCY</b>	<b>100,100</b>	<b>77,260</b>	<b>90,160</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	71,000	71,000	71,000
B-01-	Meter Replacement Program - Small	35,500	43,000	43,000
B-01-	Vault Lid Replacements	7,900	6,000	6,000
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	112,600	112,600
B-01-	Automatic Meter Reading	5,000	5,000	5,000
B-02-	Services	100,000	100,000	100,000
B-06-	Minor Main Replacement	100,000	11,000	70,000
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,500	3,500	3,500
B-09-	Office Furniture and Equipment	2,500	2,500	2,500
B-10-	Replace Vehicle #378	0	0	35,000
B-10-	Replace Vehicle #507	0	0	35,000
	<b>TOTAL BLANKETS</b>	<b>441,000</b>	<b>357,600</b>	<b>486,600</b>
	<b>TOTAL GROSS COST</b>	<b>5,257,700</b>	<b>2,958,380</b>	<b>4,546,760</b>

Golden State Water Company				
2008 Capital Budget				
Region II - Central Basin West CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	LESS NEW BUSINESS FUNDED BY OTHERS	250,000	250,000	250,000
	TOTAL NET COST	5,007,700	2,708,380	4,296,760

Golden State Water Company				
2008 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
51-	Perham - Slope stabilization, Phase II - Construction	1,911,300	1,548,153	1,911,300
51-	Ranch Rd - replace booster, Phase I - Design and Permit	19,000	17,100	19,000
51-	Sentney - demolish reservoirs, Design and Construction	397,600	322,056	397,600
	<b>TOTAL WATER SUPPLY</b>	<b>2,327,900</b>	<b>1,887,309</b>	<b>2,327,900</b>
52-	Miscellaneous street improvements	200,000	200,000	23,000
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>200,000</b>	<b>200,000</b>	<b>23,000</b>
53-	Dawes Ave. McDonald to Port, 750 ft. of 8", Phase II - Construction	225,300	182,493	225,300
53-	Fairbanks, Dobson to Studio, 2,000 ft. of 8", Phase II - Construction	533,400	432,054	533,400
53-	Hydrant Replacement	50,000	45,000	45,000
53-	Valve Replacements	100,000	90,000	90,000
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>908,700</b>	<b>749,547</b>	<b>893,700</b>
57-	Contingency	91,600	91,900	70,300
	<b>TOTAL CONTINGENCY</b>	<b>91,600</b>	<b>91,900</b>	<b>70,300</b>
60-	New Business Funded by SCWC	10,000	10,000	10,000
60-	New Business Funded by Others	250,000	250,000	250,000
	<b>TOTAL NEW BUSINESS</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>
B-01-	Meters - New Services & Replacement, Stuck	48,000	48,000	48,000
B-01-	Meter Replacement Program - Small	39,800	43,000	43,000
B-01-	Vault Lid Replacements	7,900	7,900	7,900
B-01-	Meter Replacement Program - Large (manifold replacement)	112,600	112,600	112,600
B-01-	Automatic Meter Reading	2,500	2,500	2,500
B-02-	Services	100,000	100,000	100,000
B-06-	Minor Main Replacement	100,000	100,000	100,000

Golden State Water Company				
2008 Capital Budget				
Region II - Culver City CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
B-07-	Minor Pumping Plant Equipment and Structures	3,000	3,000	3,000
B-08-	Minor Purification Equipment and Structures	3,000	3,000	3,000
B-10-	Replace Vehicle #779 mileage 108,949	38,900	38,900	0
	<b>TOTAL BLANKETS</b>	<b>455,700</b>	<b>458,900</b>	<b>420,000</b>
	<b>TOTAL GROSS COST</b>	<b>4,243,900</b>	<b>3,647,656</b>	<b>3,994,900</b>
	<b>LESS NEW BUSINESS FUNDED BY OTHERS</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
	<b>TOTAL NET COST</b>	<b>3,993,900</b>	<b>3,397,656</b>	<b>3,744,900</b>

Golden State Water Company				
2008 Capital Budget				
Region II: Southwest District Office				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
55-	Conservation	280,000	0	0
	<b>TOTAL MISCELLANEOUS</b>	280,000	0	0
57-	Contingency	37,500	9,000	13,000
	<b>TOTAL CONTINGENCY</b>	37,500	9,000	13,000
B-09-	Office Furniture and Equipment	14,800	2,801	8,800
B-10-	Replace Vehicle #705 Mileage 101,187	38,900	0	0
B-10-	Replace Vehicle #704	0	27,800	27,800
B-10-	Replace Vehicle #731	0	27,800	27,800
B-10-	Replace Vehicle #737	0	27,800	27,800
B-10-	Replace Vehicle #1101	0	0	27,800
B-11-	Miscellaneous tools and safety equipment	29,600	2,766	5,000
B-12-	Minor additions to general structures	11,900	1,186	5,000
	<b>TOTAL BLANKETS</b>	95,200	90,152	130,000
	<b>TOTAL NET COST</b>	<b>412,700</b>	<b>99,152</b>	<b>143,000</b>

Golden State Water Company				
2008 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
51-	Doty Plant 2.5 MG reservoir & Booster Station, Phase II - Construction	3,629,000	0	0
51-	Chadron - Replace booster pump station and chemical building, Phase II - Construction	801,500	0	0
51-	Chadron - replace drainage system for tank overflow, Phase II - Construction	143,500	116,235	143,500
51-	Dalton - Drill and equip Well #2 and construct chemical building, Phase III - Drill and Equip Well	1,246,700	0	0
51-	Ballona - building demolition and paving - Phase II - Construction	114,600	92,826	114,600
51-	Budlong - Construct two 1.5 MG reservoirs, Phase II - Construction	4,150,300	0	4,150,190
51-	Goldmedal - 4-Cell Chemical Building, Phase II - Construction	442,700	0	325,200
51-	Wadsworth - Booster Station & Plant Piping, Phase II - Construction	570,200	0	0
51-	Yukon - 4-Cell & 2-Cell Chemical Buildings, Phase II - Construction	561,400	0	561,400
51-	Southwest System Water Quality Improvement Projects	3,000,000	0	0
51-	Chadron - Cost of Removal	220,000	178,200	220,000
51-	Miscellaneous Bowls	170,000	90,375	100,000
	<b>TOTAL WATER SUPPLY</b>	<b>15,049,900</b>	<b>477,636</b>	<b>5,614,890</b>
52-	Miscellaneous Street Improvements - Southwest	1,000,000	260,413	460,400
	<b>TOTAL STREET IMPROVEMENTS</b>	<b>1,000,000</b>	<b>260,413</b>	<b>460,400</b>
	<i>Gardena</i>			
53-	166th St., Normandie to Berendo, 2,300' of 8" DIP, Phase II - Construction	523,100	423,711	523,100
53-	162nd St between Normandie and Budlong, 1,250' of 12" DIP, Phase II - Construction	386,500	313,065	386,500
53-	Van Ness Ave. - Marine to 147th, 1,350 ft. of 8" DI, Phase I - Design and Permit	53,800	0	53,800
53-	St. Andrew Pl. - Rosecrans to 150th, 2,400 ft. of 8" DI, Phase I - Design and Permit	63,800	0	63,800
53-	144th St. - Gramercy to St. Andrews, 300 ft. of 8" DI, Phase I - Design and Permit	44,700	0	44,700
53-	168th St - Vermont to Mayflower, 2,200 ft of 8", Phase II - Construction	524,700	425,007	524,700
53-	New Hampshire - 168th to s/o 170th , Abandon 4" CI, Phase II - Construction	98,000	79,380	98,000
53-	Catalina Ave, 168th to south end, 650 ft of 8", Phase II - Construction	186,200	150,822	186,200
53-	Budlong Ave, 168th to 170th, 850 ft of 8", Phase II - Construction	227,600	184,356	227,600
53-	Re-Chlorination Stations - Phase II - Construction	963,800	0	0
	<i>County of Los Angeles/Rosewood Area</i>			
53-	El Segundo Blvd., Towne Ave. to Avalon Blvd., 800' of 12", Phase II - Construction	238,600	0	238,600

Golden State Water Company				
2008 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	<i>County of Los Angeles/Woodcrest Area</i>			
53-	109th - Normandie to Vermont, Phase I - Design and Permit	56,500	0	56,500
53-	Denker Ave. 108th to 110th, 1,250' of 12", Phase II - Construction	300,600	243,486	300,600
53-	107th - Vermont to Normandie, Phase II - Construction	243,300	197,073	243,300
53-	122nd - Vermont to Budlong, Phase II - Construction	398,400	322,704	398,400
	<i>Southwest</i>			
53-	Normandie Gradient Regulators, Phase II - Construction	590,200	0	0
53-	Gate Valves Replacements	300,000	212,278	235,900
53-	Fire Hydrant Replacements	200,000	92,748	130,600
	<b>TOTAL DISTRIBUTION IMPROVEMENTS</b>	<b>5,399,800</b>	<b>2,644,630</b>	<b>3,712,300</b>
55-		0	0	0
	<b>TOTAL MISCELLANEOUS</b>	<b>0</b>	<b>0</b>	<b>0</b>
57-	Contingency	414,700	319,000	329,200
	<b>TOTAL CONTINGENCY</b>	<b>414,700</b>	<b>319,000</b>	<b>329,200</b>
60-	New Business Funded by SCWC	15,000	15,000	15,000
60-	New Business Funded by Others	750,000	750,000	750,000
	<b>TOTAL NEW BUSINESS</b>	<b>765,000</b>	<b>765,000</b>	<b>765,000</b>
B-01-	Meters - New Services and Repl., Small Stuck	90,500	90,500	90,500
B-01-	Meters - Small Replacements	326,000	80,152	120,000
B-01-	Vault Lid Replacement	23,500	31,291	31,300
B-01-	Meters - Large Replacements	157,600	157,600	157,600
B-01-	Meters - AMR for hard to read areas	5,000	5,000	5,000
B-02-	Services	400,000	400,000	400,000
B-06-	Minor main replacements	1,000,000	956,750	1,000,000
B-07-	Minor pumping plant replacements	10,000	0	5,000
B-08-	Minor purification	15,000	0	5,000
B-10-	Replace Vehicle #271- Dump Truck	101,500	101,500	101,500
B-10-	Replace Vehicle #599- Backhoe	91,400	91,400	91,400
B-10-	Replace Vehicle #469	0	49,800	0
B-10-	Replace Vehicle #790	0	41,500	0
B-10-	Replace Vehicle #791	0	41,500	0
B-10-	Replace Vehicle #981	0	39,000	0
B-10-	Replace Vehicle #1101	0	27,800	0
B-11-	Safety equipment	30,000	975	5,000
B-11-	Valve Machine	49,700	49,700	49,700
B-12-	Minor additions to general structures	40,000	0	5,000
	<b>TOTAL BLANKETS</b>	<b>2,340,200</b>	<b>2,164,468</b>	<b>2,067,000</b>

Golden State Water Company				
2008 Capital Budget				
Region II - Southwest CSA				
Budget		Proposed	DRA	
Group	DESCRIPTION	Budget	Recommended	Settlement
	TOTAL GROSS COST	24,965,400	6,631,148	12,948,790
	LESS NEW BUSINESS FUNDED BY OTHERS	750,000	750,000	750,000
		24,215,400	5,881,148	12,198,790

## GOLDEN STATE WATER COMPANY

## 2006 Capital Budget

## General Office

Budget Group	Description	Department	GSWC Request	DRA Recommended	Stipulation
55-	Phase I - New CIS/CRM System Implementation	C S C	3,633,100	0	TBD
55-	E-Learning Hosted on Internet (Harvard or E-Cornell)	EDU	39,400	0	TBD
55-	(2) Videoconference Systems (Bear Valley & Santa Maria)	EDU	26,700	0	TBD
55-	Develop/Purchase new training modules	EDU	26,000	0	TBD
	TOTAL MISCELLANEOUS		3,725,200	0	
57-	Contingency		176,500	60,000	TBD
	TOTAL CONTINGENCY		176,500	60,000	
B-09-	Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,100	11,400	11,400
B-09-	New Workstations (3) - Financial Analyst/Financial Mgr/Tax Analyst	ACCT / FINANCE	5,100	0	0
B-09-	Scanner for documentation software	ACCT / FINANCE	5,800	5,800	5,800
B-09-	Desktop (6) Printers Replacement and (3) New for new employees	ACCT / FINANCE	6,700	2,233	2,233
B-09-	Department Printer Replacement	ACCT / FINANCE	3,400	3,400	3,400
B-09-	Check Printer Replacement - Payroll	ACCT / FINANCE	5,100	5,100	5,100
B-09-	Furniture Replacement	ACCT / FINANCE	6,200	0	0
B-09-	Web Server	ACCT / FINANCE	29,200	29,200	29,200
B-09-	Contract Management Migration from Citrix to Web	ACCT / FINANCE	171,000	171,000	171,000
B-09-	EAM - Graphical Interface	ACCT / FINANCE	107,400	107,400	107,400
B-09-	Migration of Enterprise One from XE to ERP8.11	ACCT / FINANCE	490,700	490,700	490,700
B-09-	Cetova Software	ACCT / FINANCE	130,700	130,700	130,700
B-09-	Human Resources - Self Services including Position control	ACCT / FINANCE	267,500	267,500	267,500
B-09-	Q4bis Budgeting Software upgrade	ACCT / FINANCE	42,600	42,600	42,600
B-09-	Digital Overhead Projector	CAPITAL PROJECTS	1,900	0	TBD
B-09-	Four (4) 4-drawer Lateral File Cabinets	CAPITAL PROJECTS	4,500	0	TBD
B-09-	Primavera SureTrak Project Manager Software	CAPITAL PROJECTS	22,200	0	TBD
B-09-	Digital camera	CAPITAL PROJECTS	2,100	0	TBD

## GOLDEN STATE WATER COMPANY

## 2006 Capital Budget

## General Office

Budget Group	Description	Department	GSWC Request	DRA Recommended	Stipulation
B-09-	Task Chairs (2)	CAPITAL PROJECTS	1,100	0	TBD
B-09-	Workstation (1) - Replacement	CAPITAL PROJECTS	1,700	0	TBD
B-09-	Ph. 1 - Integrated Conservation Database	CONSERVATION	44,800	0	0
B-09-	Replace PCs (25)	C S C	42,700	17,649	17,649
B-09-	Shared Printing Equipment	C S C	4,700	4,700	4,700
B-09-	Office Space for new Workstations	C S C	71,600	0	TBD
B-09-	Total Fax Solution	C S C	30,000	30,000	30,000
B-09-	Teleworking CSR Equipment & Software	C S C	7,100	7,100	7,100
B-09-	Laptop PC for EDU staff Off-site training replacement	EDU	3,600	0	TBD
B-09-	Adobe Creative Suites for EDU Staff PCs	EDU	4,800	0	TBD
B-09-	25 Classroom chairs replacement (G.O.)	EDU	12,700	0	TBD
B-09-	Staff PC replacements (3)	EDU	7,700	0	TBD
B-09-	Training videos to augment classroom learning (5)	EDU	6,400	0	TBD
B-09-	Database replacement PC	EDU	2,600	0	TBD
B-09-	Workstation (3) - Replacements	Executive Offices	5,100	5,100	5,100
B-09-	Space Planning	HR	16,800	16,800	16,800
B-09-	Workstations - New (2)	HR	3,400	0	TBD
B-09-	Office Workstations	HR	10,400	0	TBD
B-09-	Network Printer	HR	1,700	1,700	1,700
B-09-	Comparison Software	HR	3,200	3,200	3,200
B-09-	Repl. A/C Water Source Heat Pumps(4)	INFO. TECH.	23,200	23,200	23,200
B-09-	Retile & Refixture 2 Bathrooms	INFO. TECH.	58,000	0	0
B-09-	Replace Counter Tops in Cafeteria, Mail area	INFO. TECH.	7,900	0	0
B-09-	BancTec Cash Processing Unit w/Imaging	INFO. TECH.	357,900	0	0
B-09-	Repl Five-year old servers(3)	INFO. TECH.	56,800	56,800	56,800
B-09-	Repl Five-year old remote servers(2)	INFO. TECH.	37,900	37,900	37,900
B-09-	Expansion of Storage Area Network	INFO. TECH.	159,100	159,100	159,100
B-09-	Model Upgrade for AS/400 820 System	INFO. TECH.	231,800	231,800	231,800
B-09-	Office & Technet License Renewal	INFO. TECH.	295,600	295,600	295,600
B-09-	Replace 5 Workstations	INFO. TECH.	8,500	8,500	8,500
B-09-	Doc Mgmt - HR, Reg Affairs & Inventory	INFO. TECH.	52,700	52,700	52,700

## GOLDEN STATE WATER COMPANY

## 2006 Capital Budget

## General Office

Budget Group	Description	Department	GSWC Request	DRA Recommended	Stipulation
B-09-	Replace Pitney Bowes Paragon Mailing Machine	INFO. TECH.	46,800	46,800	46,800
B-09-	IBM Laptop PC for Senior Auditor	INT AUDIT	3,100	0	TBD
B-09-	Office Furniture Replacement	INT AUDIT	14,500	0	TBD
B-09-	Laserjet Printer	INT AUDIT	500	0	TBD
B-09-	Desk with return and Credenza (1) Manager	PREVENTIVE MAINT	3,100	0	2,400
B-09-	High Back Task Chairs (2)	PREVENTIVE MAINT	2,600	0	2,000
B-09-	PC Workstations Replacement w/monitor (1)	PREVENTIVE MAINT	1,700	0	1,300
B-09-	New 5-drawer & 2-drawer lateral files	PREVENTIVE MAINT	2,400	0	1,900
B-09-	Laptop PC replacement (2)	PREVENTIVE MAINT	6,100	6,100	6,100
B-09-	Table with base and chairs	PREVENTIVE MAINT	3,100	0	2,400
B-09-	ORCOM, SCADA, SQUID & EAM Intergration	PREVENTIVE MAINT	58,200	58,200	58,200
B-09-	PCs Workstations - Replacements (3)	REGULATORY AFFAIRS	5,100	5,100	5,100
B-09-	Safety Training Videos	RISK MANAGEMENT	6,600	6,600	6,600
B-09-	Safety and Testing Equipment	RISK MANAGEMENT	28,000	5,700	14,000
B-09-	Workstation with furniture	RISK MANAGEMENT	10,200	5,100	TBD
B-09-	PC Workstations Replacement w/monitor (1)	RISK MANAGEMENT	1,700	0	TBD
B-09-	Digital Camera	RISK MANAGEMENT	1,500	1,500	1,500
B-09-	GPS for Company Vehicles	SECURITY	217,600	0	72,500
B-09-	Compliance Software	WATER QLTY.	46,700	46,700	46,700
B-09-	Furniture Replacement - VP Water Quality	WATER QLTY.	13,400	0	0
B-10-	Auto Replacement - Replace vehicle #1100	CAPITAL PROJECTS	34,500	0	TBD
B-10-	Auto Replacement - 2000 Windstar Pool Van	INFO. TECH.	39,000	0	39,000
	Total Blankets		3,437,100	2,400,683	
	2006 Total G.O. Budget		7,338,800	2,460,683	

## GOLDEN STATE WATER COMPANY

## 2007 Capital Budget

## General Office

Budget Group	Description	Department	GSWC Request	DRA Recommended	Stipulation
55-	Phase II - Implementation of new CIS/CRM System Implementation	C S C	3,815,700	0	TBD
55-	E-Learning Hosted on Internet (Harvard or E-Cornell)	EDU	41,100	0	TBD
55-	Develop/purchase new training modules	EDU	29,400	0	TBD
55-	Online topics (electronic job aids) for field operations	EDU	34,500	0	TBD
	<b>TOTAL MISCELLANEOUS</b>		<b>3,920,700</b>	<b>0</b>	
57-	Contingency		96,300	31,300	TBD
	<b>TOTAL CONTINGENCY</b>		<b>96,300</b>	<b>31,300</b>	
B-09-	Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,800	11,867	11,867
B-09-	Furniture Replacement	ACCT / FINANCE	4,300	0	0
B-09-	Desktop (6) Printers Replacement	ACCT / FINANCE	4,600	4,600	4,600
B-09-	Check Printer Replacement - Accounts Payable	ACCT / FINANCE	5,300	5,300	5,300
B-09-	Enterprise One - Additional Web Modules Upgrade	ACCT / FINANCE	68,700	0	34,350
B-09-	Create Form - Software Upgrade	ACCT / FINANCE	18,200	18,200	18,200
B-09-	ShowCase Vista - Software upgrade	ACCT / FINANCE	28,500	14,250	14,250
B-09-	EAM Graphical Interface Enhancement	ACCT / FINANCE	62,500	0	31,250
B-09-	Installation of Tax Software	ACCT / FINANCE	432,500	432,500	432,500
B-09-	Desk with return & credenza - Replacement	CAPITAL PROJECTS	3,200	0	TBD
B-09-	Lateral file cabinets (4)	CAPITAL PROJECTS	4,600	0	TBD
B-09-	Workstation (1)	CAPITAL PROJECTS	1,800	0	TBD
B-09-	Desk & task chair	CAPITAL PROJECTS	600	0	TBD
B-09-	Ph. 2 - Expansion of Integrated Conservation Database	CONSERVATION	101,400	0	0
B-09-	Replace PCs (8)	C S C	14,300	14,300	14,300
B-09-	Shared Printing Equipment	C S C	5,300	5,300	5,300
B-09-	Property Identification Software	C S C	7,000	7,000	7,000
B-09-	Call Recording & Monitoring Equipment - replacement	C S C	234,400	234,400	234,400

## GOLDEN STATE WATER COMPANY

## 2007 Capital Budget

## General Office

Budget Group	Description	Department	GSWC Request	DRA Recommended	Stipulation
B-09-	LCD Projector& Computer (Region II) Replacement PC Lab & Training Room	EDU	31,700	0	TBD
B-09-	Staff PC replacements (3) <sup>2</sup> ,	EDU	8,100	0	TBD
B-09-	Training Videos (5)	EDU	7,400	0	TBD
B-09-	Printer for PC Lab (Region II)	EDU	2,600	0	TBD
B-09-	Document scanner w/feeder for Dean	EDU	2,400	0	TBD
B-09-	Career Development Online System	EDU	69,300	0	TBD
B-09-	Workstations - Replacement (3)	H R	5,400	5,400	5,400
B-09-	Fax Machine Replacement	H R	3,100	3,100	3,100
B-09-	Retile & Refixture 2 Bathrooms	INFO. TECH.	60,500	0	0
B-09-	Repl. A/C Water Source Heat Pumps(3)	INFO. TECH.	18,200	18,200	18,200
B-09-	Replace Cafeteria Furniture	INFO. TECH.	5,700	0	0
B-09-	Replace 12 year old Office Furniture	INFO. TECH.	27,100	0	0
B-09-	Repl Five-year old servers(3)	INFO. TECH.	59,300	59,300	59,300
B-09-	Repl Five-year old remote servers(2)	INFO. TECH.	39,500	39,500	39,500
B-09-	Memory & Disk upgrade for AS/400 820	INFO. TECH.	114,300	114,300	114,300
B-09-	Replace 5 Workstations	INFO. TECH.	8,900	8,900	8,900
B-09-	Microsoft OS & Database License Renewal	INFO. TECH.	190,900	190,900	190,900
B-09-	Replace 2 Laptop Computers	INFO. TECH.	4,900	4,900	4,900
B-09-	Laser printer/fax/scanner/copier	PREVENTIVE MAINT	5,100	0	0
B-09-	PCs Workstations - Replacements (4)	REGULATORY AFFAIRS	7,100	7,100	7,100
B-09-	Replace 4 chairs	REGULATORY AFFAIRS	2,200	2,200	2,200
B-09-	Safety Training Videos	RISK MANAGEMENT	6,800	6,800	6,800
B-09-	Safety and Testing Equipment	RISK MANAGEMENT	20,900	5,700	10,450
B-09-	Compliance Software - Phase 1	WATER QLTY.	27,000	0	27,000
B-09-	GPS for Company Vehicles	SECURITY	0	0	74,400
B-10-	Auto Replacement 2002 WS Pool Van	INFO. TECH.	40,700	0	0
B-10-	Replace Vehicle #1118	PREVENTIVE MAINT	36,000	36,000	36,000
	Total Blankets		1,820,100	1,250,017	
	2007 Total General Office		5,837,100	1,281,317	

GOLDEN STATE WATER COMPANY  
2008 Capital Budget  
General Office

BUDGET GROUP	DESCRIPTION	DEPARTMENT	GSWC Request	DRA Recommended	Stipulation
55-	Final Phase - Implementation of new CIS/CRM System ; Implementation	C S C	3,730,200	0	TBD
55-	E-learning Hosted on the Internet (Harvard and other vendors)	EDU	36,800	0	TBD
55-	Curriculum Development (Purchase/Development costs for Management and Operations Coursework)	EDU	59,400	0	TBD
	TOTAL MISCELLANEOUS		3,826,400	0	
57-	Contingency		42,700	9,000	TBD
	TOTAL CONTINGENCY		42,700	9,000	
B-09-	Workstations (10) - Replacements w/monitor	ACCT / FINANCE	17,800	11,867	11,867
B-09-	Desktop (10) Printers Replacement	ACCT / FINANCE	7,700	7,700	7,700
B-09-	Check Printer Replacement - Payroll	ACCT / FINANCE	5,300	5,300	5,300
B-09-	Enterprise One - Software Upgrade	ACCT / FINANCE	67,200	33,600	33,600
B-09-	HR Self Service enhancement	ACCT / FINANCE	61,100	30,550	30,550
B-09-	Web Server (3) Upgrade	ACCT / FINANCE	30,400	0	15,200
B-09-	Laptop PCs (2)	CAPITAL PROJECTS	6,700	0	TBD
B-09-	Ph. 3 - Integrated Conservation Database	CONSERVATION	132,200	0	0
B-09-	Replace PCs (8)	C S C	14,200	14,200	14,200
B-09-	Call Center Workforce Management Software	C S C	73,600	73,600	73,600
B-09-	Teleworking CSR Equipment & Software	C S C	7,400	7,400	7,400
B-09-	Replacement of EDU Portable LCD Projector for offsite training	EDU	6,600	0	TBD
B-09-	Video capture and editing software package	EDU	5,700	0	TBD
B-09-	Staff PC replacements (3)	EDU	8,100	0	TBD

GOLDEN STATE WATER COMPANY  
2008 Capital Budget  
General Office

BUDGET GROUP	DESCRIPTION	DEPARTMENT	GSWC Request	DRA Recommended	Stipulation
B-09-	Training videos to augment classroom learning (5)	EDU	7,000	0	TBD
B-09-	Printers for training rooms and EDU common area (3)	EDU	3,200	0	TBD
B-09-	Region III training room tables and chairs replacement	EDU	44,200	0	TBD
B-09-	Handheld digital video camera	EDU	2,900	0	TBD
B-09-	Portable Easels for Classroom (3)	EDU	3,400	0	TBD
B-09-	Ergonomic Chairs for EDU Staff (3)	EDU	2,900	0	TBD
B-09-	Upgrade Videoconference systems for G.O. and Region I	EDU	27,800	0	TBD
B-09-	Replacement Workstations (3)	H R	5,300	5,300	5,300
B-09-	Replace Five-year old servers (3)	INFO. TECH.	59,200	59,200	59,200
B-09-	Replace Five Workstations	INFO. TECH.	8,900	8,900	8,900
B-09-	Replace Fax Machine	INFO. TECH.	2,300	2,300	2,300
B-09-	Replacement A/C Water Source Heat Pumps (4)	INFO. TECH.	24,200	24,200	24,200
B-09-	File Cabinets/Remittance Section (2)	INFO. TECH.	3,800	3,800	3,800
B-09-	Replace 5 Workstations	INFO. TECH.	8,900	0	0
B-09-	Desktop Printers (2)	INFO. TECH.	1,400	1,400	1,400
B-09-	Replace GO Patio Furniture	INFO. TECH.	3,100	3,100	3,100
B-09-	Replace 2 Laptop Computers	INT AUDIT	6,400	0	TBD
B-09-	PCs Workstations - Replacements (4)	REGULATORY AFFAIRS	7,100	7,100	7,100
B-09-	Laserjet Color Printer	REGULATORY AFFAIRS	3,200	3,200	3,200
B-09-	Replace 4 chairs	REGULATORY AFFAIRS	2,200	2,200	2,200
B-09-	Safety Training Videos	RISK MANAGEMENT	7,000	7,000	7,000
B-09-	Safety and Testing Equipment	RISK MANAGEMENT	12,500	5,700	6,250
B-09-	Compliance Software - Phase 2	WATER QLTY.	26,400	0	0
B-09-	GPS for Company Vehicles	SECURITY	0	0	72,700
B-10-	Replacement of WS Pool Van	INFO. TECH.	40,600	40,600	40,600
	Total Blankets		757,900	358,217	
	2008 Total General Office		4,627,000	367,217	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of each document **JOINT MOTION TO ADOPT STIPULATION AND STIPULATION** in A.06-02-023 by using the following service:

**E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

**U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on August 4, 2006, 2005 at San Francisco, California.

/s/   
Nancy Salyer

**NOTICE**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\*\*\*\*\*

(End of Attachment A)

# **ATTACHMENT B**

**Attachment B: Table 1**

**Allocation Factor Calculation**

Description	Customers		Total Labor		Total Expenses		Average Allocation Percentage
	Amount	%	Amount	%	Amount	%	
Golden State Water	275,706	85.6%	14,167,563	93.6%	99,318,661	95.4%	91.5%
Chaparral City Water	12,959	4.0%	376,839	2.5%	2,097,725	2.0%	2.8%
American States Utility Services	33,370	10.4%	588,109	3.9%	2,726,701	2.6%	5.6%
<b>Total</b>	<b>322,035</b>	<b>100.0%</b>	<b>15,132,511</b>	<b>100.0%</b>	<b>104,143,087</b>	<b>100.0%</b>	<b>100.0%</b>

SOURCE: Except for ASUS Customer number, source is Exhibit 47

Customer source is 3/9/06 Data Response to AMX-1, weighted by percentage of services rendered (see Table 2 - Weighted Number of Customers).

**Attachment B: Table 2****Weighted Number of Customers**

Description of Remaining Contracts	Total Number of Customers 3/9/06 Data Response to AMX-1	Weighting % Based on Services Rendered	Weighted Number of Customers
Rowland Water District	15,000	10.0%	1,504
City of Torrance	34,000	30.1%	10,226
Brooke Utilities	7,500	30.1%	2,256
City of Bell Gardens	1,500	38.3%	574
City of Tustin	15,000	38.3%	5,744
City of Santa Fe Springs	5,500	8.2%	452
Central Basin MWD	1	100.0%	1
Fort Bliss	9,000	100.0%	9,000
Fort Lee	915	100.0%	915
Andrews AFB	780	100.0%	780
Fort Eustic/Monroe/Story	1,919	100.0%	1,919
	91,115		33,370

1. Weighting based on Services Rendered. If multiple A&G services provided, allocate 30.1%. If one A&G service, allocate 1/3 of 30.1% or 10.0%. If A&G plus meter reading or field work, add 1/3 of O&M % of 24.6%, or 8.2%, to the A&G, which totals to 38.3%. Since company is running military base operations, all customers are counted at such basis.

2. Weighting factors are calculated on Table 3 - Calculation of Weighting Percentage. These factors are based on figures from CPUC decisions for each Region.

**Attachment B: Table 3**

**Calculation of Weighting Percentage**

Description	Region I	Region II	Region III	Total
Operation & Maintenance Expenses (minus Supply Expense)	2,285.7	10,381.2	11,384.0	24,050.9
Administrative and General Expenses	2,538.2	13,507.3	13,304.9	29,350.4
Amortization & Depreciation	2,106.7	8,930.7	8,162.5	19,199.9
Taxes	1,914.3	12,255.9	10,815.3	24,985.5
<b>Total</b>	<b>8,844.9</b>	<b>45,075.1</b>	<b>43,666.7</b>	<b>97,586.7</b>

Operation & Maintenance %	<b>24.6%</b>
Administrative & General %	<b>30.1%</b>
Amortization & Depreciation %	<b>19.7%</b>
Taxes %	<b>25.6%</b>
	<b>100.0%</b>

# **ATTACHMENT C**

Attachment C

List of Appendices

Appendix A	Summary of Earnings for Test Year 2007
Appendix B	Test Year 2007 Rate Schedules
Appendix C	Adopted Quantities
Appendix D	Bill Comparisons
Appendix E	Income Tax Calculations

Appendix A  
Page 1 of 4  
GOLDEN STATE WATER COMPANY  
REGION 2 - METROPOLITAN CSA A.06-02-023

SUMMARY of EARNINGS- TEST YEAR 2007  
(Dollars in Thousands)

	<u>AT PRESENT RATES</u>	<u>AT ADOPTED RATES</u>
	<u>2007</u>	<u>2007</u>
OPERATING REVENUES	94,518.6	100,888.9
OPERATION EXPENSES	-	-
Purchased Water	25,337.4	25,337.4
Purchased Power	2,337.0	2,337.0
Pump Taxes	3,894.4	3,894.4
TOTAL SUPPLY EXPENSES	31,568.9	31,568.9
REVENUE LESS SUPPLY EXPENSES	62,949.8	69,320.1
	-	-
Chemicals	452.7	452.7
Allocated Common Cust. Acct. (G.O.)	1,081.9	1,081.9
Allocated Common Cust. Acct. (Region)	-	-
Allocated Common Cust. Acct. (District)	-	-
Postage	-	-
Uncollectibles	271.7	290.0
Operation Labor	3,065.8	3,065.8
Other Operation Expenses	2,183.9	2,183.9
TOTAL OPERATION EXPENSES	38,624.9	38,643.2
	-	-
Maintenance Labor	875.6	875.6
Other Maintenance Expenses	3,754.1	3,754.1
TOTAL MAINTENANCE EXPENSE	4,629.7	4,629.7
TOTAL O&M EXCLUDING A&G	43,254.6	43,272.9
	-	-
Office Supplies & Expenses	326.0	326.0
Property Insurance	-	-
Injuries and Damages	-	-
Pension and Benefits	57.9	57.9
Business Meals	2.7	2.7
Regulatory Expenses	224.5	224.5
Outside Services	121.9	121.9
Miscellaneous	6.4	6.4
Allocated General Office Expenses	11,816.6	11,816.6
Allocated Region Office Expenses	1,434.7	1,434.7
Allocated District Office Expenses	1,518.0	1,518.0
Other Maintenance of General Plant	17.2	17.2
Rent	359.2	359.2
A&G Expenses Capitalized	-	-
A&G Labor	664.9	664.9
TOTAL ADMIN & GENERAL EXPENSES	16,550.0	16,550.0
	-	-
DEPRECIATION AND AMORTIZATION	8,421.5	8,421.5
	-	-
Property Taxes	2,667.1	2,667.1
Payroll Taxes	373.0	373.0
Local Taxes	1,107.7	1,182.3
TOTAL TAXES NOT ON INCOME	4,147.7	4,222.4
	-	-
TOTAL EXPENSE EXCLUDING INCOME TAX	72,373.8	72,466.8
NET OPER REVENUE BEFORE INCOME TAX	22,144.8	28,422.2
	-	-
State Income Tax	1,538.9	2,093.8
Federal Income Tax	4,824.7	7,021.7
TOTAL INCOME TAXES	6,363.6	9,115.6
TOTAL OPERATING EXPENSES	78,737.4	81,582.3
	-	-
NET OPERATING REVENUE	15,781.2	19,306.6
RATE BASE	219,391.5	219,391.5
RATE OF RETURN	7.19%	8.80%

Appendix A  
Page 2 of 4  
GOLDEN STATE WATER COMPANY  
GENERAL OFFICE A.06-02-023

SUMMARY of EARNINGS- TEST YEAR 2007  
(Dollars in Thousands)

	<u>2007</u>
REVENUES (Other)	170.2
Common Customer Account	396.8
Postage	751.4
Operation Labor	2,069.7
COMM CUST ACCT EXPENSES	3,217.9
All Other Operating Expenses	241.6
Office Supplies & Expense	2,054.6
Property Insurance	360.2
Injuries and Damages	2,493.9
Pension and Benefits	13,403.0
Business Meals	82.5
Regulatory Expenses	35.8
Outside Services	5,698.0
Miscellaneous	2,009.4
Maintenance of General Plant	765.0
Rent	184.7
A&G Capitalized	(1,884.1)
A&G Labor	7,337.1
TOTAL ADMIN & GENERAL EXPENSES	32,781.7
DEPRECIATION & AMORTIZATION	1,684.3
Property Taxes	121.6
Payroll Taxes	761.6
TOTAL TAXES NOT ON INCOME	883.2
SAVINGS FROM CAPITAL PROJECTS	(31.4)
ADJUSTMENT FOR MISSED ALLOCATIONS	-
ADJUSTMENT FOR CAPITALIZED EXPENSES	-
TOTAL OPERATING EXP (Less REV)	35,147.7
TOTAL ALL EXPENSES (Less REV)	38,365.6

## APPENDIX A

Page 3 of 4

### GOLDEN STATE WATER COMPANY REGION 2 - METROPOLITAN CSA A.06-02-023

#### RATE BASE

(Dollars in thousands)

	<u>2007</u>	<u>2008</u>
<b>RATE BASE</b>		
Utility Plant	333,599.7	367,272.8
Acquisition Adjustment	(8,321.1)	(8,321.1)
Total Utility Plant	325,278.7	358,951.7
Depreciation Reserve	(79,168.1)	(86,399.9)
Net Utility Plant	246,110.5	272,551.8
Material & Supplies	275.4	275.4
Advances for Construction	(8,213.0)	(8,086.1)
Contribution	(17,733.5)	(18,227.4)
Rate Base before Adjustment	220,439.5	246,513.7
ACRS & MACRS Depreciation	(18,330.5)	(20,180.7)
Investment Tax Credit	(438.2)	(406.7)
Unicap 86	2,014.5	2,217.8
Connections	695.8	732.5
Advances (Gross-Up)	0.0	0.0
Contributions (Gross-Up)	0.0	0.0
Deferred Revenues	(148.6)	(148.6)
Invest. in Other Water Companies	0.0	0.0
Deferred Rate Case Expenses	0.0	0.0
Allowance for Working Cash	2,142.4	2,142.4
Common Utility Allocation	13,016.6	12,625.8
Weighted Average Rate Base	219,391.5	243,496.2

## APPENDIX A

Page 4 of 4

### GOLDEN STATE WATER COMPANY GENERAL OFFICE A.06-02-023

#### RATE BASE

(Dollars in thousands)

	<u>2007</u>	<u>2008</u>
<b>RATE BASE</b>		
Utility Plant	27,805.6	27,410.4
Acquisition Adjustment	(1,187.3)	(1,187.3)
Total Utility Plant	26,618.3	26,223.1
Depreciation Reserve	(11,307.4)	(11,926.0)
Net Utility Plant	15,310.9	14,297.1
Material & Supplies	(17.1)	(17.1)
Advances for Construction	0.0	0.0
Contribution	0.0	0.0
Rate Base before Adjustment	15,293.9	14,280.0
ACRS & MACRS Depreciation	(411.6)	(411.6)
Investment Tax Credit	0.0	0.0
Unicap 86	40.6	40.6
Connections	0.0	0.0
Advances (Gross-Up)	3,399.2	3,250.7
Contributions (Gross-Up)	0.0	0.0
Deferred Revenues	0.0	0.0
Invest. in Other Water Companies	0.0	0.0
Deferred Rate Case Expenses	0.0	0.0
Allowance for Working Cash	106.4	106.4
Common Utility Allocation	0.0	0.0
Weighted Average Rate Base	18,428.5	17,266.1

Appendix B

Page 1 of 2

Schedule No. ME-1

Metropolitan District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of the Cities of Artesia, Bell, Bell Gardens, Carson, Cerritos, Compton, Cudahy, Culver City, Downey, El Segundo, Gardena, Hawaiian Gardens, Hawthorne, Huntington Park, Inglewood, Lakewood, La Mirada, Lawndale, Long Beach, Norwalk, Paramount, Santa Fe Springs, South Gate, and the communities of Athens, Lennox, and Moneta and vicinity, Los Angeles County and portions of the City of Los Alamitos, Orange County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft..... \$ 2.249

	<u>Per Meter</u>	
	<u>Per Month</u>	<u>Surcredit</u>
Service Charge for 2007:		
For 5/8 x 3/4-inch meter.....	\$ 17.55	\$0.80
For 3/4-inch meter.....	26.35	\$1.15
For 1-inch meter.....	43.90	\$1.90
For 1 1/2 inch meter.....	87.80	\$4.00
For 2-inch meter.....	140.00	\$6.35
For 3-inch meter.....	263.00	\$11.85
For 4-inch meter.....	439.00	\$19.80
For 6-inch meter.....	878.00	\$39.60
For 8-inch meter.....	1,405.00	\$63.90
For 10-inch meter.....	2,019.00	\$96.00

The service charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the overcollection in the Balancing-Type Memorandum Account for the period of December 1, 2004 through December 31, 2004, a surcredit will be applied to the service charges for a 36-month period, beginning on the effective date of Advice Letter 1188-WA, which is August 11, 2005. This surcharge will expire on August 10, 2008.

Appendix B

Page 2 of 2

Schedule No. ME-3

Metropolitan District

RECLAIMED WATER SERVICE

APPLICABILITY

Applicable to all metered reclaimed (non-potable) water service for irrigation and/or industrial use.

TERRITORY

Portions of the Cities of Artesia, Bell, Bell Gardens, Carson, Cerritos, Compton, Cudahy, Culver City, Downey, El Segundo, Gardena, Hawaiian Gardens, Hawthorne, Huntington Park, Inglewood, Lakewood, La Mirada, Lawndale, Long Beach, Norwalk, Paramount, Santa Fe Springs, South Gate, and the communities of Athens, Lennox, and Moneta and vicinity, Los Angeles County, and portions of the City of Los Alamitos, Orange County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft.....\$ 1.512

	<u>Per Meter Per Month</u>	<u>Surcredit</u>
Service Charge for 2007:		
For 5/8 x 3/4-inch meter.....	\$ 7.40	\$0.60
For 3/4-inch meter.....	10.40	\$0.90
For 1-inch meter.....	15.55	\$1.55
For 1 1/2 inch meter.....	30.25	\$3.10
For 2-inch meter.....	44.80	\$4.95
For 3-inch meter.....	133.00	\$9.25
For 4-inch meter.....	212.00	\$15.45
For 6-inch meter.....	363.00	\$30.85
For 8-inch meter.....	536.00	\$49.20
For 10-inch meter.....	736.00	\$70.95

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Due to the overcollection in the Balancing-Type Memorandum Account for the period of December 1, 2004 through December 31, 2004, a surcredit will be applied to the service charges for a 36-month period, beginning on the effective date of Advice Letter 1188-WA, which is August 11, 2005. This surcharge will expire on August 10, 2008.

**GOLDEN STATE WATER COMPANY  
ADOPTED QUANTITIES  
METROPOLITAN DISTRICT - A.06-02-023  
Appendix C page 1 of 4  
TEST YEARS 2007 & 2008**

-----

<u>Number of Metered Services</u>	<u>Schedule ME-1</u>			<u>Schedule ME-3</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Meter Size						
5/8 x 3/4 -inch meter	81,334	81,660	81,989	0	0	0
3/4	300	302	303	0	0	0
1	10,509	10,550	10,591	0	0	0
1/1/2	2,942	2,956	2,969	0	0	0
2	3,799	3,824	3,850	9	9	9
3	319	321	323	17	18	18
4	69	69	69	8	8	8
6	21	21	21	4	4	4
8	3	3	3	1	1	1
10	2	2	2	0	0	0
<b>TOTAL METERED SERVICES</b>	<b>99,298</b>	<b>99,708</b>	<b>100,120</b>	<b>39</b>	<b>40</b>	<b>40</b>
Total Metered Services - all tariffs	99,337	99,748	100,160			
Private Fire	1,707	1,728	1,750			
<b>Total Customers</b>	<b>101,044</b>	<b>101,477</b>	<b>101,911</b>			
	=====	=====	=====			

**GOLDEN STATE WATER COMPANY  
ADOPTED QUANTITIES  
METROPOLITAN DISTRICT - A.06-02-023  
Appendix C page 2 of 4  
TEST YEARS 2007 & 2008**

-----

WATER CONSUMPTION

<u>Classification</u>	<u>Service Connection</u>			<u>Usage (CCF/CUST)</u>	<u>Consumption (KCcf)</u>		
METERED SERVICES :							
	<u>2007</u>	<u>2008</u>	<u>2009</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>
Commercial	98,184	98,576	98,968	271.1	26,616.4	26,722.8	26,829.1
Industrial	252	251	249	2,994.4	753.4	750.1	746.8
Public Authority	693	693	694	2,310.4	1,600.9	1,601.6	1,602.3
Irrigation	155	173	191	840.0	130.1	145.5	160.8
Reclaimed	39	40	40	9,559.2	376.4	379.7	382.9
Other	14	15	16	353.8	5.0	5.4	5.8
	-----				-----		
Total Metered	99,337	99,748	100,159		29,482.3	29,605.0	29,727.7
PRIVATE FIRE PROTECTION	1,707	1,728	1,750		-----		
TOTAL CONNECTIONS	101,044	101,477	101,909		29,482.3	29,605.0	29,727.7
UNACCOUNTED WATER	5.43%	5.43%	5.43%		1,692.0	1,699.1	1,706.1
	-----				-----		
TOTAL WATER PRODUCTION					31,174.3	31,304.1	31,433.8
WELLS (KCcf)					12,038.1	12,038.1	12038.05
PURCHASED WATER (KCcf)					18,749.2	18,879.0	19,361.8
RECLAIMED WATER (KCcf)					387.3	387.3	387.3
					31,174.6	31,304.3	31,787.1

**APPENDIX C**  
Page 3 of 4

**Golden State Water Company**  
REGION 2 - METROPOLITAN CSA A.06-02-023

**Adopted Quantities**

	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>PURCHASED POWER</u></b>			
<b>WELLS:</b>			
Total Production (KCcf)	12,038.1	12,038.1	12,038.1
Kwh per Ccf	1.4871	1.4871	0.0000
SoCal. Edison	Jul-06		
Total Kwh	17,898,575	17,898,575	17,898,575
Unit Cost (\$/Kwhr)	0.120298	0.120298	0.120298
Power Cost (wells)	\$2,153,166.6	\$2,153,166.6	\$2,153,166.6
DWR Ratio	40%	40%	40%
DWP Electric:			
Total Kwh	3580.4	3580.4	3580.4
Unit Cost (\$/Kwhr)	0.22643	0.22640	0.22643
Power Cost	\$810.7	\$810.6	\$810.7
S. C. Gas			
Total therms	291.4	292.6	293.5
Unit Cost (\$/therm)	2.00554	2.00184	1.99914
Power Cost	\$584.5	\$585.8	\$586.8
<b>BOOSTERS:</b>			
SoCal. Edison			
Total Production (KCcf)	31,174.6	31,304.3	31,399.8
Kwh per Ccf	0.04165	0.04165	0.04165
Total Kwh	1,298,293	1,303,695	1,307,673
Unit Cost (\$/Kwhr)	0.140529	0.140364	0.140246
Power Cost (boosters)	\$182,447.6	\$182,991.6	\$183,395.3
DWR Ratio	40%	40%	40%
<b>Total Purchased Power Cost</b>	<b>\$2,337,009.4</b>	<b>\$2,337,554.6</b>	<b>\$2,337,959.5</b>

<b><u>PURCHASED WATER</u></b>		<u>\$/AF</u>	<u>Cfs</u>	<u>KCcf</u>	<u>KCcf</u>	<u>KCcf</u>
Central Basin MWD	Jan-07	\$525.00		4,467.8	4498.1	4,520.4
West Basin MWD	Jan-07	\$572.00		13,304.8	13,397.8	13,466.3
Central Basin Reclaimed	Jan-07					
0-25 AF		\$322.00		10.9	10.9	10.9
26-50		\$299.00		10.9	10.9	10.9
51-100		\$278.00		21.8	21.8	21.8
over		\$255.00		170.8	170.80	170.8
West Basin Reclaimed	Jan-07					
0-25 AF		\$337.00		10.9	10.9	10.9
26-50		\$317.00		10.9	10.9	10.9
51-100		\$297.00		21.8	21.8	21.8
101-200		\$277.00		43.6	43.6	43.6
Over		\$257.00		85.8	85.80	85.8
City of Cerritos	Jul-04	\$539.61		950.9	957.3	962.1
City of Inglewood	Jul-04	\$1,172.43		0.0	0.0	0.0
CalWater				25.7	25.7	25.7
<b>Total KCcf</b>				<b>19,136.4</b>	<b>19,266.1</b>	<b>19,361.6</b>

**APPENDIX C**  
Page 4 of 4

**Golden State Water Company**  
REGION 2 - METROPOLITAN CSA A.06-02-023

				<u>Adopted Quantities</u>		
				<u>2007</u>	<u>2008</u>	<u>2009</u>
Central Basin MWD \$						
Quantity Charge				\$5,384,750.5	\$5,421,251.7	\$5,448,129.2
Peaking Surcharge	\$0.0			\$0.0	\$0.0	\$0.0
Capacity Reservation Charge	\$11,572			\$138,864.0	\$138,864.0	\$138,864.0
Service Charge	\$31/Cfs	73		\$27,156.0	\$27,156.0	\$27,156.0
West Basin MWD \$						
Quantity Charge				\$17,470,953.4	\$17,593,058.1	\$17,682,969.2
Peaking Surcharge	\$0.0			\$0.0	\$0.0	\$0.0
Capacity Reservation Charge	\$29,800			\$357,600.0	\$357,600.0	\$357,600.0
Service Charge	\$21/CFS	160		\$40,320.0	\$40,320.0	\$40,320.0
Central Basin Reclaimed \$				\$129,410.8	\$129,410.8	\$129,410.8
West Basin Reclaimed \$				\$109,523.1	\$109,523.1	\$109,523.1
City of Cerritos						
Quantity Charge				\$1,177,904.0	\$1,185,889.0	\$1,191,768.0
Capacity Reservation Charge	\$3,353.13			\$40,237.6	\$40,237.6	\$40,237.6
Service Charge	\$594.15			\$7,129.8	\$7,129.8	\$7,129.8
Suburban Water System						
Service Charge	\$377.33			\$4,528.0	\$4,528.0	\$4,528.0
City of Inglewood \$				\$0.0	\$0.0	\$0.0
Service Charge	\$360.00			\$4,320.0	\$4,320.0	\$4,320.0
City of Paramount						
Service Charge	\$71.50			\$858.0	\$858.0	\$858.0
Cal Water						
Service Charge	\$1,122.00			\$13,464.0	\$13,464.0	\$13,464.0
<b>Total Purchased Water Cost</b>				<b>\$24,907,019.1</b>	<b>\$25,073,610.0</b>	<b>\$25,196,277.6</b>
<b><u>REPLENISHMENT TAX</u></b>	<b><u>\$/AF</u></b>			<b><u>KCcf</u></b>	<b><u>KCcf</u></b>	<b><u>KCcf</u></b>
Water Replenishment District						
Total Well Production (AF)	Jul-06	\$138.00 /AF		12,038	12,038	12,038
Pump Tax Cost				\$3,813,707.4	\$3,813,707.4	\$3,813,707.4
Administration Costs				\$80,736.4	\$80,736.4	\$80,736.4
<b>Total Replenishment Cost</b>				<b>\$3,894,443.8</b>	<b>\$3,894,443.8</b>	<b>\$3,894,443.8</b>
<b><u>Leased Water Rights</u></b>	<b><u>\$/AF</u></b>			<b><u>KCcf</u></b>	<b><u>KCcf</u></b>	<b><u>KCcf</u></b>
Leased Water Rights				19	19	19
From Central Basin	\$184.00			14	14	14
From West Basin	\$77.50			4	4	4
Chevron Water Rights	\$116.00			1,591	1,591	1,591
Leased Water Rights Cost						
From Central Basin				\$6,066.9	\$6,066.9	\$6,066.9
From West Basin				\$763.3	\$763.3	\$763.3
Chevron Water Rights				\$423,550.8	\$423,550.8	\$423,550.8
<b>Total Leased Water Rights Cost</b>				<b>\$430,381.0</b>	<b>\$430,381.0</b>	<b>\$430,381.0</b>
<b>Total Chemical Cost</b>				<b>\$452,744.0</b>	<b>\$461,889.5</b>	<b>\$470,879.8</b>

GOLDEN STATE WATER COMPANY  
METROPOLITAN DISTRICT - A.06-02-023

Schedule ME-1  
Bill Comparison for 5/8-inch Meter

2007 Rates

Monthly Usage (Cubic Feet)	At Present Rates	At Adopted Rates	Increase Amount	Percent Increase
500	\$27.12	\$28.80	\$1.68	6.20%
1,000	\$37.58	\$40.04	\$2.46	6.55%
1,500	\$48.05	\$51.29	\$3.24	6.74%
<b>2,300 (Avg.)</b>	<b>\$64.79</b>	<b>\$69.28</b>	<b>\$4.49</b>	<b>6.93%</b>
2,500	\$68.98	\$73.78	\$4.80	6.96%
3,000	\$79.44	\$85.02	\$5.58	7.02%
4,000	\$100.37	\$107.51	\$7.14	7.11%
10,000	\$225.95	\$242.45	\$16.50	7.30%

2008 Rates

Monthly Usage (Cubic Feet)	2007 Rates	2008 Rates	Increase Amount	Percent Increase
500	\$28.80	\$30.28	\$1.49	5.16%
1,000	\$40.04	\$41.91	\$1.87	4.67%
1,500	\$51.29	\$53.54	\$2.26	4.40%
<b>2,300 (Avg.)</b>	<b>\$69.28</b>	<b>\$72.15</b>	<b>\$2.87</b>	<b>4.14%</b>
2,500	\$73.78	\$76.80	\$3.02	4.10%
3,000	\$85.02	\$88.43	\$3.41	4.01%
4,000	\$107.51	\$111.69	\$4.18	3.89%
10,000	\$242.45	\$251.25	\$8.80	3.63%

GOLDEN STATE WATER COMPANY  
METROPOLITAN DISTRICT - A.06-02-023

Schedule ME-3  
Bill Comparison for 3-inch Meter

2007 Rates

Monthly Usage (Cubic Feet)	At Present Rates	At Adopted Rates	Increase Amount	Percent Increase
5,000	\$175.30	\$208.60	\$33.30	19.00%
10,000	\$243.45	\$284.20	\$40.75	16.74%
25,000	\$447.90	\$511.00	\$63.10	14.09%
<b>58,800 (Avg.)</b>	<b>\$908.59</b>	<b>\$1,022.06</b>	<b>\$113.46</b>	<b>12.49%</b>
75,000	\$1,129.40	\$1,267.00	\$137.60	12.18%
100,000	\$1,470.15	\$1,645.00	\$174.85	11.89%
120,000	\$1,742.75	\$1,947.40	\$204.65	11.74%
150,000	\$2,151.65	\$2,401.00	\$249.35	11.59%

2008 Rates

Monthly Usage (Cubic Feet)	2007 Rates	2008 Rates	Increase Amount	Percent Increase
5,000	\$208.60	\$242.85	\$34.25	16.42%
10,000	\$284.20	\$321.70	\$37.50	13.19%
25,000	\$511.00	\$558.25	\$47.25	9.25%
<b>58,800 (Avg.)</b>	<b>\$1,022.06</b>	<b>\$1,091.28</b>	<b>\$69.22</b>	<b>6.77%</b>
75,000	\$1,267.00	\$1,346.75	\$79.75	6.29%
100,000	\$1,645.00	\$1,741.00	\$96.00	5.84%
120,000	\$1,947.40	\$2,056.40	\$109.00	5.60%
150,000	\$2,401.00	\$2,529.50	\$128.50	5.35%

Appendix E  
Page 1 of 1  
GOLDEN STATE WATER COMPANY  
REGION 2 - METROPOLITAN CSA A.06-02-023

COMPUTATION of TAXES ON INCOME  
(Dollars in Thousands)

	<u>AT PRESENT RATES</u>	<u>AT ADOPTED RATES</u>
	<u>2007</u>	<u>2007</u>
Operating Revenues	94,518.6	100,888.9
Deductions:		
Operating Expenses	72,373.8	72,466.8
Book Depreciation - CSA	(8,421.5)	(8,421.5)
Book Depreciation - General Office	(566.3)	(566.3)
Interest	8,051.7	8,051.7
		-
Deductions Excluding Depreciation	71,437.7	71,530.7
State Tax Calculation:		
Taxable Income Before Tax Depreciation and Other Schedule M's	23,080.9	29,358.3
Add (Deduct):		-
Tax Depreciation - State	(6,279.9)	(6,279.9)
Other Schedule M Items	607.3	607.3
State Taxable Income	17,408.3	23,685.7
Total State Tax @ 8.84%	1,538.9	2,093.8
Federal Tax Calculation:		
Taxable Income before Tax Depreciation and Other Schedule M's	23,080.9	29,358.3
Add (Deduct):		
Excess Tax Depreciation - Flow Through	671.6	671.6
Book Depreciation - CSA	(8,421.5)	(8,421.5)
Book Depreciation - G.O.	(566.3)	(566.3)
State Tax	(1,538.9)	(1,538.9)
Other Schedule M Items	607.3	607.3
Deferred Revenue Amortization - Contrib.	151.4	151.4
Adjustment for Job Creation Act	(199.8)	(199.8)
Federal Taxable Income	13,784.8	20,062.1
Federal Tax @ 35.00%	4,824.7	7,021.7
Total Federal & State Tax	6,363.6	9,115.6

# **ATTACHMENT D**

\*\*\*\*\* SERVICE LIST \*\*\*\*\*

Last Update on 16-JUL-2007 by: JVG  
A0602023 LIST

**Attachment D**

\*\*\*\*\* APPEARANCES \*\*\*\*\*

Kendall H. Macvey  
Attorney At Law  
BEST, BEST & KRIEGER, LLP  
PO BOX 1028  
RIVERSIDE CA 92502  
(951) 686-1450  
Kendall.MacVey@BBKlaw.com  
For: City of Claremont

Keith Switzer  
GOLDEN STATE WATER COMPANY  
630 EAST FOOTHILL BLVD.  
SAN DIMAS CA 91773-9016  
(909) 394-3600 X 759  
kswitzer@gswater.com  
For: Golden State Water Company

Patricia A. Schmiege  
Attorney At Law  
O'MELVENY & MYERS LLP  
275 BATTERY STREET, 26TH FLOOR  
SAN FRANCISCO CA 94111  
(415) 984-8715  
pschmiege@omm.com  
For: Golden State Water Company

Sharon L. Tomkins  
Attorney At Law  
O'MELVENY & MYERS, LLP  
400 SOUTH HOPE STREET  
LOS ANGELES CA 90071-2899  
(213) 430-6000  
stomkins@omm.com  
For: Golden State Water Company

\*\*\*\*\* STATE EMPLOYEE \*\*\*\*\*

Fred L. Curry 5  
Water Division  
RM. 3106  
505 VAN NESS AVE  
San Francisco CA 94102 3298  
(415) 703-1739  
flc@cpuc.ca.gov

Cleveland Lee  
Legal Division  
RM. 5122  
505 VAN NESS AVE  
San Francisco CA 94102 3298  
(415) 703-1792  
cwl@cpuc.ca.gov

A Kirk McKenzie  
Administrative Law Judge Division  
RM. 5115  
505 VAN NESS AVE  
San Francisco CA 94102 3298  
(415) 703-4622  
mck@cpuc.ca.gov

\*\*\*\*\* INFORMATION ONLY \*\*\*\*\*

Rex Ball  
Sr/Wa, Senior Real Property Mgmt  
COUNTY OF LOS ANGELES  
222 SOUTH HILL STREET, 3RD FLOOR  
LOS ANGELES CA 90012  
(213) 974-4247  
rball@cao.lacounty.gov

John Garon  
Regulatory Affairs Manager  
GOLDEN STATE WATER COMPANY  
630 E. FOOTHILL BLVD.  
SAN DIMAS CA 91773-9016  
(909) 394-3600 X-679  
jgaron@gswater.com

**(END OF ATTACHMENT D)**