

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



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Application of Golden State Water Company (U 133 W)
for Authority to Establish Its Authorized Cost of Capital
and Rate of Return for Utility Operations for 2012 - 2014.

Application 11-05-

A1105004

**APPLICATION OF GOLDEN STATE WATER COMPANY FOR AUTHORIZED
COST OF CAPITAL FOR UTILITY OPERATIONS FOR 2012-2014**

GOLDEN STATE WATER COMPANY

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May 2, 2011

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

Application of Golden State Water Company (U 133 W)
for Authority to Establish Its Authorized Cost of Capital
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**APPLICATION OF GOLDEN STATE WATER COMPANY FOR AUTHORIZED
COST OF CAPITAL FOR UTILITY OPERATIONS FOR 2012-2014**

I. INTRODUCTION

Pursuant to the Rate Case Plan adopted by the California Public Utilities Commission (“Commission”) in Decision 07-05-062 and the Commission’s Rules of Practice and Procedure (“Rules”), Golden State Water Company (“GSWC”) hereby submits this application requesting that the Commission find reasonable and authorize:

- GSWC’s rate of return on rate base of 9.49% for the 2012 test year, 9.52% for the 2013 test year, and 9.55% for the 2014 attrition year;
- GSWC’s capital structure for 2012 – 2014 to consist of 44.4% long-term debt and 55.6% common equity;
- GSWC’s return on equity of 11.5%; and
- GSWC’s revenue increase for 2012 of \$6.2 million;

Additionally, GSWC has provided responses to the Minimum Data Requirements for Utility Cost of Capital Application and Testimony, as required by Decision 07-05-062, as part of the Testimony of Jenny Darney-Lane.

Consistent with the directives of state law, Commission rulings, and GSWC’s assessment of the water utility industry, GSWC presents testimony on the following issues critical to the

Commission's assessment of GSWC's cost of capital: business and regulatory risk, interest rates and general economic conditions, capital structure, return on debt, and return on equity.

II. GSWC's REQUESTED COST OF CAPITAL FOR 2012-2014

A. Rate of Return on Rate Base

GSWC proposes an average rate of return on rate base of 9.49% for the 2012 test year, 9.52% for the 2013 test year, and 9.56% for the 2014 attrition year. The average rate of return on rate base proposed in this Application over the three years is 9.52%. GSWC arrived at this rate, as set forth in the Testimony of Eva Tang, by utilizing the average cost of long-term debt of 7.06%, a cost of common equity of 11.5% and the proposed fixed capital structure (44.4% debt and 55.6% equity) to determine the weighted cost of each capital component. The sum of the weighted cost of debt and cost of equity components equals the recommended annual returns on rate base.

B. Capital Structure

As set forth in the testimony of GSWC witness Eva Tang, GSWC proposes that the Commission adopt a capital structure for 2012 – 2014 consisting of 44.4% long-term debt and 55.6% common equity, which is the average capital structure for GSWC for the years 2012 – 2014. This is based upon the benefits associated with maintaining GSWC's "A2" credit rating with Moody's Investors Service and "A+" credit rating with Standard & Poor's and projections of external financing requirements needed to maintain these ratings.

C. Return on Common Equity

GSWC recommends a return on equity of 11.5%, as set forth in the Testimony of Eva Tang. This recommendation is based on the analysis of Mr. Zepp, who recommends a return on

equity falling between 11.1% to 11.7%. GSWC took this range and, as detailed in the Testimony of Eva Tang, evaluated it in light of the risk factors facing GSWC and arrived at a return on equity of 11.5%. The risk factors GSWC faces are detailed in the Testimony of Eva Tang and Denise Kruger.

D. Revenue Increase and Impact on Rates

GSWC has evaluated rates of return that will be required in 2012 to compensate investors for the risks associated with GSWC's water utility operations. Based on the values proposed by Ms. Tang, GSWC recommends a combined 2012 revenue increase for all GSWC ratemaking areas (Regions 1, 2 and 3) of \$6.2 million, as set forth in the Testimony of Jenny Darney-Lane. This increase represents the increased revenue requirement necessary to achieve an authorized rate of return on ratebase of 9.49% in 2012. This increase incorporates the revised rate of return as well as the increases in state and federal income taxes and uncollectible costs.

The impacts on rates for this revenue increase are detailed in the Testimony of Jenny Darney-Lane, beginning at page 5.

E. Annual Update to Authorized Cost of Capital

In Decision D.09-07-051 the Commission approved a settlement for an adjustment mechanism to the base year 2009 ratemaking return on common equity for the subsequent years 2010 and 2011 for California Water Service Company, California American Water Company, and Golden State Water Company. GSWC requests that the adjustment mechanism adopted in D.09-07-051 also be adopted in this proceeding for any adjustment to 2013 and 2014 from the 2012 base year.

III. GOLDEN STATE WATER COMPANY

A. Corporate Information and Description of GSWC's Service Territory and Utility System

GSWC's legal name is Golden State Water Company, which is a regulated subsidiary of American States Water Company. Its mailing address and principal place of business is 630 East Foothill Boulevard, San Dimas, California, 91773. GSWC's main telephone number is (909) 394-3600. Correspondence and communications regarding this Application should be addressed to:

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San Dimas, California 91773
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GSWC is a corporation duly organized and existing under and by virtue of the laws of the State of California and represents the consolidation, effective on December 31, 1929 upon the order of this Commission, of some twenty corporations which were formerly operated under the jurisdiction of this Commission as public utilities, together with subsequent acquisitions and additions. A copy of GSWC's Restated Articles of Incorporation is attached hereto as Exhibit A.

GSWC is a public utility, and its principal business is the production and distribution of water for domestic, industrial, municipal and other purposes. GSWC renders water service in

various areas in the counties of Contra Costa, Imperial, Lake, Los Angeles, Orange, Sacramento, San Bernardino, San Luis Obispo, Santa Barbara and Ventura, and electric service in the vicinity of Big Bear Lake in San Bernardino County.

B. Proposed Categorization, Need for Hearing and Proposed Schedule

GSWC proposes that this is a rate setting proceeding, within the meaning of Rule 1.3(e) of the Commission’s Rules. At this time, GSWC cannot determine if hearings will be necessary. Hearings will likely be necessary if other parties contest GSWC’s application.

Pursuant to D.07-05-062¹, the three largest multi-district Class A water utilities, which include GSWC and pursuant to D.10-10-035², San Jose Water Company, must file a cost of capital application by May 1, 2011. Thereafter, the Commission will consolidate the four cases.

GSWC understands that the Commission will arrive at a joint schedule for the four water utilities. GSWC proposes the following schedule for hearings, briefs and other proceedings, subject to the Commission’s and the three other Class A Water Utilities’ schedules:

May 2, 2011	Application due
May 16, 2011	Prehearing Conference
June 30, 2011	DRA and Intervener Testimony Due
August 1, 2011	Rebuttal Testimony Due
August 18, 2011	Hearings
September 15, 2011	Opening Briefs due
October 3, 2011	Reply Briefs due
November 3, 2011	Proposed Decision

¹ D.07-05-062 at 15.

² D.10-10-035 at 73.

November 23, 2011

Comments on Proposed Decision

December 2, 2011

Reply Comments on Proposed Decision

December 2011

Final Decision

C. Balance Sheet and Income Statement

Attached hereto as Exhibit B are GSWC's most recent balance sheet and income statement.

D. Statutory Authority

This Application is made pursuant to Sections 451, 454, 701, 702 *et al.* of the Public Utilities Code, the Commission's Rules, and the prior decisions, order and resolutions of the Commission.

E. Service of Notice of Application

In compliance with Rule 3.2 and Public Utilities Code section 454, GSWC will provide notice and proof of compliance with the various provisions of such rule as required. A draft of the notice is attached hereto as Exhibit C and has been submitted to the Public Advisors Office for approval.

IV. CONCLUSION

GSWC respectfully request that the Commission issue a decision:

- Finding reasonable and authorizing GSWC to implement a rate of return on rate base of 9.49% for the 2012 test year, 9.52% for the 2013 test year, and 9.55% for the 2014 attrition year;

- Finding reasonable and authorizing GSWC's capital structure for 2012 – 2014 to consist of 44.4% long-term debt and 55.6% common equity;
- Finding reasonable and authorizing GSWC's return on equity of 11.5%;
- Granting other such relief as the Commission finds just and reasonable;
- Finding reasonable and authorizing GSWC to increase its revenue for 2012 by \$6.2 million; and
- Granting relief with interim rates as determined reasonable by the Commission if completion according to the Commission's Regulatory Plan Time Table is delayed or if step and attrition increases are delayed due to no fault of GSWC.

Respectfully submitted,

By /s/ KEITH SWITZER

Keith Switzer

Vice President, Regulatory Affairs

GOLDEN STATE WATER COMPANY

VERIFICATION

With respect to the within Cost of Capital Application for 2012 - 2014, the undersigned certifies that he holds the position indicated below his name, that he is authorized to make this verification for and on behalf of said entity; that he has read the Application and knows the contents thereof; and that the same is true of his own knowledge and belief, except as to those matters which are thereon stated upon his information or belief, and as to those matters, he believes them to be true.

The undersigned declares under penalty of perjury that the foregoing is true and correct.

Executed on May 2, 2011, in the City of San Dimas, California.

By /s/ KEITH SWITZER

Keith Switzer

Vice President, Regulatory Affairs

GOLDEN STATE WATER COMPANY

EXHIBIT A

Articles of Incorporation

A0634227

CERTIFICATE OF AMENDMENT
OF
RESTATED ARTICLES OF INCORPORATION
OF
SOUTHERN CALIFORNIA WATER COMPANY,
a California corporation

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

SEP 30 2005

Floyd E. Wicks and Robert J. Sprowls certify that:

1. They are the duly elected and acting President and Chief Executive Officer and Chief Financial Officer, Senior Vice President-Finance and Secretary, respectively, of the corporation named above.

2. The Restated Articles of Incorporation of the corporation are amended by amending Article One to read as follows:

NAME

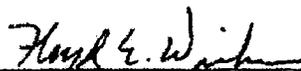
One: The name of the corporation is Golden State Water Company.

3. The above amendment has been approved by the Board of Directors of the corporation.

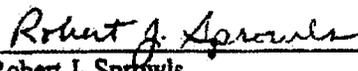
4. The above amendment was approved by the vote of the sole shareholder of the corporation in accordance with Section 902 of the California Corporations Code; the total number of outstanding shares of each class entitled to vote with respect to the amendment was 122 Common Shares, all of which voted in favor of the above amendment.

We further declare under penalty of perjury under the law of the State of California that the matters set forth in this certificate are true and correct of our own knowledge:

September 16, 2005



Floyd E. Wicks
President and Chief Executive Officer



Robert J. Sprowls
Chief Financial Officer, Senior Vice President-Finance and
Secretary



EXHIBIT B

Balance Sheet &
Income Statement

GOLDEN STATE WATER COMPANY

BALANCE SHEET

	February 28	December 31		February 28	December 31
	2011	2010		2011	2010
	(in thousands)			(in thousands)	
Assets			Capitalization and Liabilities		
Utility Plant, at cost			Capitalization		
Water.....	\$ 1,110,335	\$ 1,108,205	Common shareholder's equity.....	\$ 358,228	\$ 358,295
Electric.....	68,949	68,813	Long-term debt.....	299,776	299,839
	1,179,284	1,177,018	Total capitalization	658,004	658,134
Less - Accumulated depreciation.....	(382,406)	(375,740)			
	796,878	801,278			
Construction work in progress.....	67,925	50,089			
Net utility plant	864,803	851,367			
Other Property and Investments			Current Liabilities		
State Water Project.....	5,252	5,287	Long-term debt - current.....	376	376
Other physical property, net.....	709	709	Accounts payable.....	34,126	25,463
				-	-
Other Investments.....	2,678	2,678	Intercompany payable.....	37,770	34,575
Funds held in trust.....	225	225	Income taxes payable to Parent.....	-	-
Total other property and investments	8,864	8,899	Accrued employee expenses.....	7,679	7,212
			Accrued interest.....	6,651	3,251
			Regulatory liabilities.....	-	-
			Deferred income taxes - current.....	-	-
			Unrealized loss on purchased power contracts.....	7,012	6,850
			Other.....	15,408	16,032
			Total current liabilities	109,022	93,759
Current Assets			Other Credits		
Cash and cash equivalents.....	4,866	1,541	Advances for construction.....	78,095	78,325
Accounts receivable - customers (less allowance for doubtful accounts of \$624 in 2011 and \$670 in 2010).....	17,261	17,507	Contributions in aid of construction.....	95,231	95,460
Other accounts receivable - customers (less allowance for doubtful accounts of \$335 in 2011 and \$335 in 2010).....	4,505	6,174	Deferred income taxes	101,474	101,474
			Unamortized investment tax credits.....	2,063	2,063
Intercompany receivable.....	4,616	2,057	Accrued pension and other postretirement benefits.....	43,597	42,152
			Regulatory liabilities.....	-	-
Income taxes receivable from Parent.....	7,421	7,421	Other.....	7,120	7,111
Unbilled revenue.....	19,170	20,348	Total other credits	327,580	326,585
Materials and supplies, at average cost.....	1,860	1,779			
Regulatory assets - current.....	34,897	34,152			
Prepayments and other current assets.....	5,093	5,695			
Deferred income taxes - current.....	7,814	7,814			
Total current assets	107,503	104,488			
Regulatory and Other Assets					
Unamortized debt expense and redemption premium.....	4,617	4,671			
Regulatory assets.....	104,009	101,801			
Other accounts receivable.....	3,827	3,777			
Other.....	983	3,475			
Total deferred charges	113,436	113,724			
Total Assets	\$ 1,094,606	\$ 1,078,478	Total Capitalization and Liabilities	\$ 1,094,606	\$ 1,078,478

GOLDEN STATE WATER COMPANY
STATEMENT OF INCOME
MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED
February 28, 2011 and 2010

	THIS MONTH		Increase (Decrease)	Percent Change	YEAR TO DATE		Increase (Decrease)	Percent Change	TWELVE MONTHS ENDED		Increase (Decrease)	Percent Change
	February, 2011	February, 2010			February, 2011	February, 2010			February, 2011	February, 2010		
Operating Revenues												
Water	\$ 20,027,439	\$ 16,979,084	\$ 3,048,355	17.95%	\$ 42,755,818	\$ 36,376,897	\$ 6,378,921	17.54%	\$ 295,672,301	\$ 263,801,373	\$ 31,870,929	12.08%
Electric	3,275,946	3,022,705	253,240	8.38%	6,996,297	6,750,846	245,451	3.64%	36,046,054	29,693,442	6,352,612	21.39%
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	23,303,385	20,001,790	3,301,595	16.51%	49,752,115	43,127,743	6,624,372	15.36%	331,718,355	293,494,815	38,223,541	13.02%
Supply Costs												
Water Purchased	2,951,280	2,365,290	585,990	24.77%	6,047,469	5,107,248	940,220	18.41%	47,804,796	45,084,528	2,720,268	6.03%
Supply cost balancing accounts	799,417	1,138,228	(338,811)	-29.77%	2,380,262	2,298,395	81,866	3.56%	20,704,174	12,252,591	8,451,583	68.98%
Power for pumping	477,211	536,464	(59,253)	-11.05%	1,037,687	1,278,442	(240,754)	-18.83%	8,872,271	9,558,918	(686,647)	-7.18%
Power for resale	1,383,339	1,244,551	138,788	11.15%	2,839,440	2,636,834	202,606	7.68%	13,280,753	12,714,172	566,580	4.46%
Pump taxes	777,581	754,994	22,587	2.99%	1,686,763	1,662,273	24,489	1.47%	11,497,507	11,610,693	(113,186)	-0.97%
Total supply costs	6,388,828	6,039,528	349,301	5.78%	13,991,620	12,983,192	1,008,428	7.77%	102,159,500	91,220,902	10,938,598	11.99%
Revenues Less Supply Costs	16,914,557	13,962,262	2,952,295	21.14%	35,760,495	30,144,551	5,615,944	18.63%	229,558,855	202,273,913	27,284,943	13.49%
Other Operating Expenses												
Other operation expenses	1,827,561	1,959,778	(132,217)	-6.75%	3,619,891	4,124,754	(504,862)	-12.24%	24,860,859	25,149,580	(288,720)	-1.15%
Maintenance expenses	1,069,787	1,042,201	27,586	2.65%	1,787,741	2,063,126	(275,385)	-13.35%	15,378,875	14,469,117	909,758	6.29%
Administrative and general expenses	4,696,508	5,662,539	(966,030)	-17.06%	9,203,024	9,470,834	(267,810)	-2.83%	54,077,466	54,575,407	(497,941)	-0.91%
Depreciation and amortization	3,177,771	3,038,560	139,210	4.58%	6,339,679	6,076,534	263,145	4.33%	36,836,486	31,750,315	5,086,171	16.02%
Property and other taxes	1,214,252	1,009,801	204,451	20.25%	2,238,551	2,153,221	85,330	3.96%	12,390,175	11,500,526	889,649	7.74%
Total other operating expenses	11,985,879	12,712,880	(727,001)	-5.72%	23,188,887	23,888,469	(699,582)	-2.93%	143,543,862	137,444,946	6,098,916	4.44%
Operating Income	4,928,678	1,249,382	3,679,295	294.49%	12,571,608	6,256,082	6,315,526	100.95%	86,014,994	64,828,967	21,186,026	32.68%
State income taxes	289,215	(50,521)	339,736	-672.46%	823,823	196,691	627,132	318.84%	6,045,363	3,703,014	2,342,349	63.26%
Federal income taxes	1,048,878	(185,553)	1,234,431	-665.27%	3,002,105	812,120	2,189,985	269.66%	21,754,509	14,145,722	7,608,787	53.79%
Total income taxes	1,338,093	(236,074)	1,574,167	-666.81%	3,825,928	1,008,811	2,817,117	279.25%	27,799,872	17,848,736	9,951,136	55.75%
Income Before Interest Charges	3,590,585	1,485,456	2,105,128	141.72%	8,745,680	5,247,271	3,498,409	66.67%	58,215,122	46,980,231	11,234,890	23.91%
Interest expenses (income)	1,829,241	1,799,425	29,817	1.66%	3,656,745	3,649,594	7,150	0.20%	20,864,962	21,527,331	(662,370)	-3.08%
Non-regulatory income (loss):												
Unrealized gain (loss) on purchased power contracts	-	-	-	0.00%	-	-	-	0.00%	-	-	-	-
Income taxes on non-regulatory items	41,857	15,835	26,023	164.34%	86,960	47,706	39,254	82.28%	5,938,117	888,312	5,049,805	568.47%
Other	(133,176)	(20,819)	(112,357)	539.69%	(276,200)	(81,409)	(194,791)	239.28%	(14,842,343)	(1,939,650)	(12,902,693)	665.21%
Total non-regulatory income(loss)	(91,319)	(4,984)	(86,334)	1732.07%	(189,240)	(33,703)	(155,537)	461.50%	(8,904,226)	(1,051,338)	(7,852,888)	746.94%
Net Income(loss)	\$ 1,670,024	\$ (318,953)	\$ 1,988,977	-623.60%	\$ 4,899,695	\$ 1,563,974	\$ 3,335,721	213.28%	\$ 28,445,933	\$ 24,401,562	\$ 4,044,372	16.57%

EXHIBIT C

Draft Notice

Si necesita asistencia en Español, tenemos representantes de servicio al cliente disponibles para ayudarlo cuando lo solicite, por favor llame al número 1-800-999-4033.

**NOTIFICATION OF FILING FOR AN AUTHORIZED COST OF CAPITAL FOR
GOLDEN STATE WATER COMPANY
APPLICATION NO. 11-05-XXX**

On May 2, 2011, Golden State Water Company (GSWC) filed Application No. 11-05-XXX (A.11-05-XXX) with the California Public Utilities Commission (CPUC). In this application filing, GSWC has requested that the CPUC review and authorize a cost of capital for 2012, 2013, and 2014. The authorized cost of capital determines the amount of money GSWC is allowed in rates as a return on its invested capital. In this proceeding, the CPUC will determine a reasonable capital structure, the costs of long-term debt, and an appropriate rate of return on common equity. GSWC's proposed request is summarized in the following table:

Year	Cost Factor	Cost	Capital Structure (Weight)	Weight Cost
2012	Long Term Debt	6.99%	44.4%	3.10%
	Common Equity	11.50%	55.6%	<u>6.39%</u> 9.49%
2013	Long Term Debt	7.06%	44.4%	3.13%
	Common Equity	11.50%	55.6%	<u>6.39%</u> 9.52%
2014	Long Term Debt	7.12%	44.4%	3.16%
	Common Equity	11.50%	55.6%	<u>6.39%</u> 9.55%

If the CPUC approves GSWC's request, the rates in each GSWC service territory will be increased to reflect the proposed cost of capital beginning on January 1, 2012. Overall, the proposed changes to the cost of capital will increase GSWC's currently authorized revenues by \$6.2 million (2.1%) in 2012. The increase in annual revenues will vary by ratemaking area. The following table shows the proposed increase in 2012 for each of the ratemaking areas served by GSWC.

	Increase	
	Amount (\$000)	%
Region 1		
Arden Cordova	\$167.9	1.5%
Bay Point	\$121.5	2.0%
Clearlake	\$54.9	2.6%
Los Osos	\$92.1	2.5%
Ojai	\$161.5	3.0%
Santa Maria	\$228.9	2.3%

	Increase	
	Amount (\$000)	%
Simi Valley	\$95.7	0.8%
Region 2	\$2,821.8	2.2%
Region 3	\$2,497.2	2.1%
Total	\$6,241.5	2.1%

The impact on customer bills will also vary by ratemaking area. The following table shows the effect on a customer's bill, based on the average usage as shown on the table for the respective service areas. The impact on any particular customer's bill will depend on the customer's actual usage level and meter size as well as the implementation of the rate increase in the rate structure.

District	Average Usage (Ccf)	Billed @ Authorized 2011 Rates	Billed @ Proposed Rates	Bill Increase	
				Amount	%
Region 1					
Arden Cordova (Residential Metered)	21	\$28.43	\$28.85	\$0.41	1.5%
Arden Cordova (Flat)		\$49.40	\$50.10	\$0.70	1.4%
Arden Cordova (Non-Residential Metered)	119	\$180.21	\$183.04	\$2.83	1.6%
Bay Point (Residential)	9	\$66.11	\$67.45	\$1.33	2.0%
Bay Point (Non-Residential)	16	\$93.83	\$95.74	\$1.91	2.0%
Clearlake (Residential)	6	\$78.15	\$80.15	\$2.00	2.6%
Clearlake (Non-Residential)	13	\$111.23	\$114.17	\$2.94	2.6%
Los Osos (Residential)	10	\$67.76	\$69.47	\$1.71	2.5%
Los Osos (Non-Residential)	33	\$159.28	\$163.18	\$3.9	2.5%
Ojai (Residential)	13	\$77.08	\$79.45	\$2.37	3.1%
Ojai (Non-Residential)	13	\$77.08	\$79.45	\$2.37	3.1%
Santa Maria (Residential)	21	\$49.19	\$50.24	\$1.05	2.1%
Santa Maria (Non-Residential)	33	\$67.46	\$68.92	\$1.46	2.2%
Simi Valley (Residential)	17	\$62.96	\$63.46	\$0.51	0.8%
Simi Valley (Non-Residential)	137	\$520.78	\$524.80	\$4.01	0.8%
Region 2 (Residential)	13	\$59.20	\$60.58	\$1.39	2.3%
Region 2 (Non-Residential)	33	\$119.25	\$121.96	\$2.71	2.3%
Region 3 (Residential)	17	\$62.20	\$63.48	\$1.28	2.1%
Region 3 (Non-Residential)	85	\$233.02	\$237.92	\$4.91	2.1%

FOR FURTHER INFORMATION AND TO OBTAIN A COPY OF THE APPLICATION

A copy of GSWC's Application No. 11-05-XXX may be obtained on our website at www.gswater.com or at your local district office. If you need additional information, you may call our 24-hour Customer Service Center; toll free, at 1-800-999-4033, TTY 1-877-933-9533.

Copies are also available for review at the California Public Utilities Commission's Central Files, Monday – Friday, 8am – 12 noon, at 505 Van Ness Ave., San Francisco, CA 94102.

PUBLIC COMMENT

If you wish to comment on or protest this filing as a customer of GSWC, you may do so by e-mail or writing to the Public Advisor's Office (PAO). Written public comments by GSWC customers are very much desired by the CPUC and may be sent to the PAO at the address shown below. All public comments received by the PAO are provided to the CPUC Commissioners and the Administrative Law Judge (ALJ) assigned to the proceeding. All e-mails and written correspondences become part of the formal file under public comments. Participating Divisions within the CPUC who are reviewing the request by GSWC will also receive a copy of all public comments.

PROTESTING THE APPLICATION

Formal protests to this application must be filed with the CPUC no later than xxxxx xx, 2011. The CPUC's PAO was established to assist members of the public who want to protest or otherwise participate in the CPUC's proceedings. For assistance in filing a formal protest with the CPUC or otherwise participating in the formal proceeding, please contact the Public Advisor's Office at 505 Van Ness Avenue, San Francisco, California 94102, or via e-mail to public.advisor@cpuc.ca.gov or in Southern California at 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or via e-mail to public.advisor.la@cpuc.ca.gov. Please refer to Golden State Water Company's Application No. 11-05-XXX on any written or e-mail correspondences.

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this Application. DRA is an independent arm of the CPUC created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold Evidentiary Hearings (EH) whereby parties of record present their proposals in testimony and are subject to cross-examination before an ALJ. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during EH. Members of the public may attend these hearings, but are not allowed to participate.

GOLDEN STATE WATER COMPANY