

APPENDIX A



FILED

10/15/21
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Stipulation of Issues – A. 20-09-002

1. Revenue Requirements

- The parties agree to Cal Advocates' proposed revenue requirement reduction of \$45,132.96 for Test Year 2021.
- The parties agree to test year operating costs of \$1,237,504.
- The parties agree to rate base of \$573,396.

2. Cost of Capital

The parties agree to an imputed capital structure of 70% equity and 30% debt with a cost of equity of 8.5% and cost of debt of 5.0% resulting in a rate of return of 7.45%

3. Rate Design

The parties agree to maintain the customer charge at its current level, while allocating any changes to volumetric rates.

4. Baseline Allowance

The parties agree to WCG's proposal that the residential customer base line allowance be based on 70% of usage during the winter period, November through March and 60% of usage during the summer period.

5. Base Rate Revenue Balancing Account

The parties agree to the establishment of a Base Rate Revenue Balancing Account (BRRBA).

6. Sales Forecast

The parties agree to accept Cal Advocates' use of a 5-year average of therm sales for the period 2016 through 2020 with respect to therm sales at Mather and Castle.

7. Post Test Year Issue

- The parties agree that post test year increases will be based on CPI less a productivity factor of 0.5% for 2022 and 2023 and 0.25% for 2024.
- The parties agree that WCG will file an affidavit with its 2022 post test year advice letter verifying that it has filled the position of assistant to the Administrator. If the position has not been filled, WCG will remove the costs associated with this position from its revenues.

8. Income Taxes

The parties agree as to income tax rate differentials from WCG's 2017 GRC, that the account balance, reflecting the reduction in the federal corporate income tax rate from 35% to 21%, be amortized as a credit to test year 2021 amortization expense over a 36-month period with interest on the unamortized balance using the 30-day commercial paper rate as published by the US Federal Reserve.

9. Legal Fees

The parties agree to WCG's test year legal expense of \$11,350.

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(END APPENDIX A)