

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA



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A2408011

ADMINISTRATIVE LAW JUDGE AMIN NOJAN, presiding

In the matter of the Application of the) PREHEARING
GOLDEN STATE WATER COMPANY (U 133 W) for) CONFERENCE
an order authorizing initial rates for)
water service in its Sutter Pointe) Application
Customer Service Area for the years) 24-08-011
2026, 2027, and 2028.)

REPORTER'S TRANSCRIPT
Telephonic Proceeding
October 29, 2024
Pages 1 - 16
Volume 1

Reported by: Andrea Ross, CSR No. 7896

TELEPHONIC PROCEEDING

OCTOBER 29, 2024 - 1:00 P.M.

* * * * *

ADMINISTRATIVE LAW JUDGE NOJAN: Let's be on the record. The Commission will come to order.

It is 1:00 p.m. on Tuesday, October 29, 2024, and this is a telephonic prehearing conference with parties calling in remotely. I will take appearances in just a moment. I'm going to start off by going over the ground rules and expectations for this prehearing conference.

First, if you're on the line today, please mute your phone when you're not speaking. If you have your phone on speaker, please pick it up when you speak to be sure that the court reporter and I can clearly hear your voice for the record.

I'll change in the parties one at a time at the end of each section of the prehearing conference for an opportunity to ask questions or to make comments.

This is the Application of Golden State Water Company for an Order Authorizing Initial Rates for Water Service in Its Sutter Pointe Customer Service Area for the Years 2026, 2027, and 2028. The application number is 24-08-011, and it was filed on August 26, 2024.

My name is Amin Nojan, and I am the

1 administrative law judge assigned to this proceeding.
2 The assigned commissioner is Darcie Houck. To my
3 understanding, Commissioner Houck is not on the line
4 with us today.

5 Just to get confirmation, Commissioner Houck,
6 are you on the line?

7 (No response.)

8 ALJ NOJAN: Commissioner Houck is not on the
9 line with us today; however, I will meet and confer with
10 her after today's hearing and she will issue a scoping
11 ruling afterwards.

12 To those speaking today, please remember that
13 this proceeding is being transcribed by a court
14 reporter; therefore, it's essential that we speak one at
15 a time, and most importantly, with the exception of the
16 judge, please state your name prior to speaking so that
17 the court reporter and I know who is addressing the
18 record.

19 If anyone would like a transcript of today's
20 prehearing conference, please send an email to
21 reporting@cpuc.ca.gov.

22 The purpose of this prehearing conference today
23 is to address the service list and party status, the
24 issues in scope, categorization and need for hearing,
25 and the schedule for the remainder of the proceeding.

1 Please note I will not be making any final
2 rulings today regarding the scope, schedule, or the need
3 for hearings. Commissioner Houck will decide these
4 matters in the scoping ruling after I've had a chance to
5 meet and confer with her.

6 Now, before I take appearances, are there any
7 general questions on anything I've covered before we
8 commence?

9 (No response.)

10 ALJ NOJAN: Okay. Hearing none, we will move
11 on to appearances. Because this is a telephonic
12 prehearing conference, I ask that only one person speak
13 on behalf of each party present.

14 First I'd like to ask for the appearance on
15 behalf of Golden State Water Company. Please state your
16 full name and spell your last name for the record.

17 MS. KOLOSOV: Thank you very much, Judge Nojan.
18 This is Chris Kolosov, C-h-r-i-s, new word Kolosov,
19 K-o-l-o-s-o-v. I'm an attorney for Sheppard Mullin, and
20 I will be speaking on behalf of Golden State Water
21 Company today.

22 ALJ NOJAN: Thank you, Ms. Kolosov.

23 I understand that the Public Advocates Office
24 has filed a protest to this application. Can I have the
25 representative for the Public Advocates Office please

1 state your full name and spell your last name for the
2 record.

3 MS. MERZA: Yes, Judge. Thank you. This is
4 Ritta Merza, that's R-i-t-t-a, last name M-e-r-z-a, and
5 I'm the attorney representing the Public Advocates
6 Office at the California Public Utilities Commission,
7 which I will refer to as "Cal Advocates" for the rest of
8 the meeting. Thank you.

9 ALJ NOJAN: Thank you, Ms. Merza.

10 Is there any other party or individual on the
11 line today that would either like to request party
12 status or intends to speak at this PHC?

13 (No response.)

14 ALJ NOJAN: Hearing none, we will be moving on.
15 I'd like to note that those who are interested in this
16 proceeding but do not intend to participate may monitor
17 the proceeding without becoming a party. This can be
18 done by requesting to be added to the service list on
19 the CPUC website as an "Information-Only" subscriber or
20 by sending an email to the Commission's Process Office
21 at process_office@cpuc.ca.gov (sic).

22 Moving onto the scope of issues to be
23 considered in this application, I'm going to start by
24 going over the list of issues that I noticed in the
25 protest to the application. Before I begin, what I'd

1 like to do is hear from Ms. Merza.

2 I noticed that at the beginning of the list the
3 Public Advocates Office notes that this is a
4 non-exhaustive list. Can you speak to whether you
5 intend to add anything to that today or was there a
6 different reason for including that specific language?

7 MS. MERZA: This is Ritta Merza for
8 Cal Advocates. We don't have any additional issues to
9 add at this time. Cal Advocates is continuing its
10 discovery. At this time the list that is in our -- the
11 list of issues that is in our protest is -- the current
12 issue -- the current list of issues, and we're not
13 amending them at this point.

14 ALJ NOJAN: Thank you, Ms. Merza.

15 So I'm going to go ahead and read the list for
16 the record. What I'll do afterwards is I will turn to
17 the representative for Golden State Water for any
18 comments or objections at that point.

19 So to begin, the following list of issues are
20 proposed to be considered in this proceeding beginning
21 with general issues:

22 Number one, whether Golden State's proposed
23 initial rate revenues for 2026, 2027, and 2028 are just
24 and reasonable, including:

25 a. Whether Golden State's estimates for its

1 O&M and A&G expenses are just and reasonable;

2 b. Whether Golden State's estimates of rate
3 base are just and reasonable;

4 c. Whether Golden State's proposed additions
5 to its plant budgets are accurate, just, and reasonable;

6 d. Whether Golden State's proposed sales
7 forecasts and rate designs are just and reasonable.

8 Number two, whether Golden State's customer
9 service and safety programs are adequately designed to
10 address customer needs.

11 Number three, whether Golden State's
12 application complies with all statutory and regulatory
13 requirements.

14 Moving onto special requests:

15 Special Request 1, whether Golden State's
16 request to include Sutter Pointe customer service area
17 in its next companywide general rate case is reasonable
18 and in the public interest.

19 Special Request 2, whether Golden State's
20 request for interim rates for 2025, prior to Test Year
21 2026, and authority to establish a memorandum account to
22 track any over- or undercollection that may occur in
23 2025 based on final rates approved for 2026 through a
24 preliminary ruling is reasonable and in the public
25 interest.

1 Special Request 3, whether Golden State Water's
2 request to seek authorization to track costs related to
3 Sutter Pointe CSA in certain companywide balancing and
4 memorandum accounts, such as the Customer Assistance
5 Program Balancing Account, Catastrophic Event Memorandum
6 Account, and Public Safety Power Shut-Offs Memorandum
7 Account, is reasonable.

8 Special Request 4, whether Golden State's
9 request that the Commission review the costs recorded as
10 of April 30, 2024, in the previously approved SPGRCMA is
11 reasonable and whether the memo account should remain
12 open until a final decision in the current GRC is
13 issued.

14 Special Request 5, whether Golden State's
15 request to apply any findings in its current GRC
16 application, Application 23-08-010, with regard to its
17 proposed new revenue decoupling program, the Water
18 Conservation Advancement Plan is reasonable.

19 And Special Request 6, whether Golden State's
20 request for an exception to the required attrition
21 filing methodology in the Rate Case Plan and inclusion
22 of rent and related costs of a temporary trailer in the
23 attrition year 2027 is reasonable.

24 That concludes the list of proposed issues in
25 the protest. What I'd like to do now is turn to

1 Ms. Kolosov on the issues, and that includes additional
2 issues for consideration or objections to any of the
3 proposed issues.

4 MS. KOLOSOV: Thank you, Judge Nojan. This is
5 Chris Kolosov, and we are comfortable with the scope of
6 issues that Cal Advocates set forth. At this time we do
7 not have any additions.

8 ALJ NOJAN: Thank you, Ms. Kolosov.

9 Turning one more time to Ms. Merza, any
10 additional comments on the scope of this proceeding?

11 MS. MERZA: This is Ritta Merza for
12 Cal Advocates, and I have no additional comments. Thank
13 you.

14 ALJ NOJAN: Ms. Merza, for the record, can you
15 define Special Request 4, "SPGRCMA."

16 MS. MERZA: Yes. This is Ritta Merza for
17 Cal Advocates. It's the Sutter Pointe General Rate Case
18 Memorandum Account.

19 ALJ NOJAN: Thank you.

20 We'll be moving onto categorization and need
21 for hearings. The Commission categorized this
22 proceeding as a ratesetting proceeding. Please note
23 that in ratesetting proceedings, ex parte communications
24 are restricted pursuant to Article 8 of the Commission's
25 Rules of Practice and Procedure.

1 I understand that the Public Advocates Office
2 is recommending that we prohibit ex parte
3 communications. That was taken under advisement, but
4 unless it's announced otherwise, the rules will be
5 governed by Section 8 of the Commission's Rules of
6 Practice and Procedure.

7 I also understand that in the protest, there's
8 a request for evidentiary hearing. I see that -- it
9 looks like the hearings are proposed for December 31st
10 through January 3rd. I'd like to note that we have
11 New Year's Eve and New Year's day that follows during
12 that week.

13 Can I hear from the -- well, first let me hear
14 from the Public Advocates Office on how many days of
15 evidentiary hearings we're anticipating.

16 MS. MERZA: This is Ritta Merza for
17 Cal Advocates. Your Honor, Cal Advocates is still
18 continuing with its discovery, so we're not sure how
19 many days we will require. We would request that there
20 be placeholders for evidentiary hearings for about two
21 or three days.

22 ALJ NOJAN: Okay. So what I'll do is I'll
23 reserve three days of hearing time for evidentiary
24 hearing. And as we move closer to the date, we'll have
25 to narrow down the scope of issues that will be

1 discussed at hearing and also further instructions and
2 detail can be provided at that time.

3 Now, as far as holding on, you know, that week
4 when we have New Year's Eve and New Year's day, I'm not
5 sure that that's something that we'll be doing. I'm
6 going to have to look at the hearing calendar and
7 availability, but I'll send out a ruling or a procedural
8 email, you know, proposing alternative dates and the
9 parties can respond at that point. So I'd just like to
10 make a note of that in advance.

11 I also see that the Public Advocates Office is
12 recommending a PPH, or a public participation hearing.
13 Now, before I get into that, I have a general
14 understanding of this ratemaking area. So for the
15 record, this is an area north of Sacramento, city of
16 Sacramento, north of Sacramento County, slightly to the
17 northwest I would say. I understand that this is a new
18 development. This is a new ratemaking area. So I'm not
19 sure the extent to which there are residents in this
20 area.

21 Maybe I can go to a representative for Golden
22 State Water. Can you speak to whether this ratemaking
23 area encompasses existing areas and the extent to which
24 it already has residents or businesses or entities that
25 would be either affected by the rate or would be able to

1 participate as stakeholders or residents in a potential
2 PPH.

3 MS. KOLOSOV: This is Chris Kolosov for Golden
4 State. No, your Honor. At the present time, there are
5 no customers in the Sutter Pointe customer service area.
6 We do not anticipate that there will be customers until,
7 you know, the end of this year, the beginning of next
8 year. So the end of -- I'm sorry -- the end of 2025,
9 the beginning of 2026.

10 ALJ NOJAN: Okay. Thank you, Ms. Kolosov.

11 I see that the proposed schedule has called for
12 a decision at the beginning of looks like Q3 of 2025,
13 which would be before the anticipated arrival of any
14 residents.

15 Ms. Merza, when the Public Advocates Office is
16 recommending a PPH, was it aware of this information or
17 did you have something else in mind for this city?

18 MS. MERZA: Cal Advocates is aware that there's
19 currently more residents at Sutter Pointe; however, we
20 suggested PPHs since Special Request Number 2 requests
21 authority for a memorandum account. We defer to you on
22 whether you want to include PPHs at this stage or not,
23 but Cal Advocates recommends that maybe later on in 2025
24 we can check back in to see if the customer status has
25 changed and whether a PPH would be extended once there's

1 customers in the region.

2 ALJ NOJAN: All right. Well, I'll give that
3 recommendation some thought. I think that generally the
4 Commission likes to hold PPHs earlier and if the
5 proceeding is -- does follow the proposed schedule and
6 is resolved by mid-2025, it would be hard to account for
7 any input received in PPHs after the proceeding is then
8 closed.

9 It's something that I'll give some thought to,
10 and, if appropriate, we will hold PPHs noting everything
11 that we've discussed thus far regarding the timing of
12 the arrival of applicants and the timing of the issuance
13 of the decision.

14 Okay. So any further questions or comments on
15 either the categorization or the need for hearings?

16 Going first to Golden State Water.

17 MS. KOLOSOV: No, ALJ Nojan. As we had stated
18 in our reply, you know, we agree that as there are no
19 customers that would participate, we don't believe that
20 public participation hearings would be an efficient use
21 of the Commission's or the company's resources.

22 ALJ NOJAN: Good. Thank you.

23 And going to Public Advocates Office, any
24 additional comments on categorization or need for
25 hearings before we move on?

1 MS. MERZA: No additional comments from
2 Cal Advocates.

3 ALJ NOJAN: Thank you.

4 So we've talked about evidentiary hearings and
5 we'll be holding three days on the calendar for that.
6 At this point I don't see any additional issues that are
7 up for discussion.

8 So one more time before we leave I'm going to
9 go ahead and go to the representative for Golden State
10 Water. Are there any other issues that you'd like to
11 bring to our attention before we adjourn?

12 MS. KOLOSOV: This is Chris Kolosov. No,
13 ALJ Nojan, thank you. I think you've addressed
14 everything we've expected to discuss today.

15 ALJ NOJAN: Great. Thank you, Ms. Kolosov.

16 Ms. Merza, do you have any additional questions
17 or comments or anything you'd like to bring to the
18 Commission's attention before we adjourn?

19 MS. MERZA: This is Ritta Merza for
20 Cal Advocates. We have no additional comments. Thank
21 you, Judge.

22 ALJ NOJAN: Thank you, Ms. Merza.

23 I'd like to thank everyone today for
24 participating and attending. This telephonic prehearing
25 conference is now adjourned.

1 Off the record.

2 (At the hour of 1:20 p.m., this matter having
3 concluded, the Commission then adjourned.)

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

CERTIFICATION OF TRANSCRIPT OF PROCEEDING
I, ANDREA L. ROSS, CERTIFIED SHORTHAND REPORTER
NO. 7896, IN AND FOR THE STATE OF CALIFORNIA, DO
HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT
PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT
TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN
THIS MATTER ON OCTOBER 29, 2024.

I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE
EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.
EXECUTED THIS OCTOBER 30, 2024.



ANDREA L. ROSS
CSR NO. 7896

<hr/> 1 <hr/>	add 6:5,9	begin 5:25 6:19	CPUC 5:19
1 7:15	added 5:18	beginning 6:2,20	CSA 8:3
1:00 2:2,6	additional 6:8	behalf 4:13,15,20	current 6:11,12 8:12,15
<hr/> 2 <hr/>	additions 7:4	budgets 7:5	customer 2:22 7:8,10, 16 8:4
2 7:19	address 3:23 7:10	<hr/> C <hr/>	<hr/> D <hr/>
2024 2:2,6,24 8:10	addressing 3:17	C-H-R-I-S 4:18	Darcie 3:2
2025 7:20,23	adequately 7:9	Cal 5:7 6:8,9	decide 4:3
2026 2:23 6:23 7:21,23	administrative 2:4 3:1	California 5:6	decision 8:12
2027 2:23 6:23 8:23	Advancement 8:18	calling 2:8	decoupling 8:17
2028 2:23 6:23	Advocates 4:23,25 5:5,7 6:3,8,9	case 7:17 8:21	designed 7:9
23-08-010 8:16	ahead 6:15	Catastrophic 8:5	designs 7:7
24-08-011 2:24	ALJ 3:8 4:10,22 5:9,14 6:14	categorization 3:24	discovery 6:10
26 2:24	amending 6:13	chance 4:4	<hr/> E <hr/>
29 2:2,6	Amin 2:25	change 2:17	email 3:20 5:20
<hr/> 3 <hr/>	appearance 4:14	Chris 4:18	end 2:18
3 8:1	appearances 2:8 4:6, 11	commence 4:8	essential 3:14
30 8:10	application 2:20,23 4:24 5:23,25 7:12 8:16	comments 2:19 6:18	establish 7:21
<hr/> 4 <hr/>	apply 8:15	Commission 2:5 5:6 8:9	estimates 6:25 7:2
4 8:8	approved 7:23 8:10	Commission's 5:20	Event 8:5
<hr/> 5 <hr/>	April 8:10	commissioner 3:2,3, 5,8 4:3	exception 3:15 8:20
5 8:14	area 2:22 7:16	Company 2:21 4:15,21	expectations 2:10
<hr/> 6 <hr/>	assigned 3:1,2	companywide 7:17 8:3	expenses 7:1
6 8:19	Assistance 8:4	complies 7:12	<hr/> F <hr/>
<hr/> A <hr/>	attorney 4:19 5:5	concludes 8:24	filed 2:24 4:24
A&g 7:1	attrition 8:20,23	confer 3:9 4:5	filing 8:21
account 7:21 8:5,6,7, 11	August 2:24	conference 2:7,11,18 3:20,22 4:12	final 4:1 7:23 8:12
accounts 8:4	authority 7:21	confirmation 3:5	findings 8:15
accurate 7:5	authorization 8:2	Conservation 8:18	forecasts 7:7
	Authorizing 2:21	considered 5:23 6:20	full 4:16 5:1
	<hr/> B <hr/>	continuing 6:9	<hr/> G <hr/>
	balancing 8:3,5	costs 8:2,9,22	general 4:7 6:21 7:17
	base 7:3	court 2:15 3:13,17	Golden 2:20 4:15,20
	based 7:23	covered 4:7	

6:17,22,25 7:2,4,6,8,11, 15,19 8:1,8,14,19	<hr/> L <hr/>	objections 6:18	proposed 6:20,22 7:4, 6 8:17,24
GRC 8:12,15	language 6:6	occur 7:22	protest 4:24 5:25 6:11 8:25
ground 2:10	law 2:4 3:1	October 2:2,6	public 4:23,25 5:5,6 6:3 7:18,24 8:6
<hr/> H <hr/>	list 3:23 5:18,24 6:2,4, 10,11,12,15,19 8:24	Office 4:23,25 5:6,20 6:3	purpose 3:22
hear 2:15 6:1	<hr/> M <hr/>	open 8:12	<hr/> Q <hr/>
hearing 3:10,24 4:10 5:14	M-E-R-Z-A 5:4	opportunity 2:19	questions 2:19 4:7
hearings 4:3	make 2:19	order 2:5,21	<hr/> R <hr/>
Houck 3:2,3,5,8 4:3	making 4:1	over- 7:22	
<hr/> I <hr/>	matters 4:4	<hr/> P <hr/>	
importantly 3:15	meet 3:9 4:5	p.m. 2:2,6	R-I-T-T-A 5:4
include 7:16	meeting 5:8	participate 5:16	rate 6:23 7:2,7,17 8:21
including 6:6,24	memo 8:11	parties 2:8,17	rates 2:21 7:20,23
inclusion 8:21	memorandum 7:21 8:4,5,6	party 3:23 4:13 5:10,11, 17	read 6:15
individual 5:10	Merza 5:3,4,9 6:1,7,14	person 4:12	reason 6:6
Information-only 5:19	methodology 8:21	PHC 5:12	reasonable 6:24 7:1,3, 5,7,17,24 8:7,11,18,23
initial 2:21 6:23	moment 2:9	phone 2:13,14	record 2:5,16 3:18 4:16 5:2 6:16
intend 5:16 6:5	monitor 5:16	pick 2:14	recorded 8:9
intends 5:12	move 4:10	Plan 8:18,21	refer 5:7
interest 7:18,25	moving 5:14,22 7:14	plant 7:5	regard 8:16
interested 5:15	Mullin 4:19	point 6:13,18	regulatory 7:12
interim 7:20	mute 2:12	Pointe 2:22 7:16 8:3	related 8:2,22
issue 3:10 6:12	<hr/> N <hr/>	Power 8:6	remain 8:11
issued 8:13	Nojan 2:4,25 3:8 4:10, 17,22 5:9,14 6:14	prehearing 2:7,10,18 3:20,22 4:12	remainder 3:25
issues 3:24 5:22,24 6:8,11,12,19,21 8:24	non-exhaustive 6:4	preliminary 7:24	remember 3:12
<hr/> J <hr/>	note 4:1 5:15	present 4:13	remotely 2:8
judge 2:4 3:1,16 4:17 5:3	notes 6:3	previously 8:10	rent 8:22
<hr/> K <hr/>	noticed 5:24 6:2	prior 3:16 7:20	reporter 2:15 3:14,17
K-O-L-O-S-O-V 4:19	number 2:23 6:22 7:8, 11	proceeding 2:1 3:1,13, 25 5:16,17 6:20	reporting@cpuc.ca. gov. 3:21
Kolosov 4:17,18,22	<hr/> O <hr/>	Process 5:20	representative 4:25 6:17
	O&m 7:1	process_office@ cpuc.ca.gov 5:21	representing 5:5
		program 8:5,17	request 5:11 7:15,16, 19,20 8:1,2,8,9,14,15, 19,20
		programs 7:9	

requesting 5:18	SPGRMA 8:10	Water's 8:1
requests 7:14	start 2:9 5:23	website 5:19
required 8:20	state 2:20 3:16 4:15,20 5:1 6:17 8:1	word 4:18
requirements 7:13		<hr/>
response 3:7 4:9 5:13	State's 6:22,25 7:2,4,6, 8,11,15,19 8:8,14,19	Y
rest 5:7	status 3:23 5:12	year 7:20 8:23
revenue 8:17	statutory 7:12	Years 2:23
revenues 6:23	subscriber 5:19	
review 8:9	Sutter 2:22 7:16 8:3	
Ritta 5:4 6:7	<hr/>	
rules 2:10	T	
ruling 3:11 4:4 7:24	<hr/>	
rulings 4:2	telephonic 2:1,7 4:11	
<hr/>	temporary 8:22	
S	Test 7:20	
<hr/>	time 2:17 3:15 6:9,10	
safety 7:9 8:6	today 2:12 3:4,9,12,22 4:2,21 5:11 6:5	
sales 7:6	today's 3:10,19	
schedule 3:25 4:2	track 7:22 8:2	
scope 3:24 4:2 5:22	trailer 8:22	
scoping 3:10 4:4	transcribed 3:13	
section 2:18	transcript 3:19	
seek 8:2	Tuesday 2:6	
send 3:20	turn 6:16 8:25	
sending 5:20	<hr/>	
service 2:22 3:23 5:18 7:9,16	U	
Sheppard 4:19	<hr/>	
Shut-offs 8:6	undercollection 7:22	
sic 5:21	understand 4:23	
speak 2:14 3:14 4:12 5:12 6:4	understanding 3:3	
speaker 2:14	Utilities 5:6	
speaking 2:13 3:12,16 4:20	<hr/>	
special 7:14,15,19 8:1, 8,14,19	V	
specific 6:6	<hr/>	
spell 4:16 5:1	voice 2:16	
	<hr/>	
	W	
	<hr/>	
	Water 2:20,21 4:15,20 6:17 8:17	