FILED
08/12/26
03:56 PM
A2607001

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 (1) Authorizing it to Increase Rates for Water Service by $95,178,800 or 19.40% in 2028; (2) Authorizing it to Increase Rates by $40,268,700 or 6.88% in 2029, and to Increase Rates by $41,031,900 or 6.57% in 2030 in Accordance with the Rate Case Plan; and (3) Adopting Other Related Rulings and Relief Necessary to Implement the Commission's Ratemaking Policies.	A.26-07-001 (Filed July 1, 2026)

REPLY OF GOLDEN STATE WATER COMPANY (U 133 W) TO PROTEST OF THE PUBLIC ADVOCATES OFFICE TO GOLDEN STATE WATER COMPANY'S APPLICATION 26-07-001

GOLDEN STATE WATER COMPANY
Jon Pierotti
630 East Foothill Boulevard
San Dimas, CA 91773-9016
Telephone: (909) 394-3600, Ext. 680
Email: Jon.Pierotti@GSWater.com

Joseph M. Karp
Chris A. Kolosov
Sheppard Mullin Richter & Hampton LLP
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 774-3118
Facsimile: (415) 403-6078
Email: jkarp@sheppard.com
ckolosov@sheppard.com

Attorneys for Golden State Water Company

August 12, 2026

TABLE OF CONTENTS

Page

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 (1) Authorizing it to Increase Rates for Water Service by $95,178,800 or 19.40% in 2028; (2) Authorizing it to Increase Rates by $40,268,700 or 6.88% in 2029, and to Increase Rates by $41,031,900 or 6.57% in 2030 in Accordance with the Rate Case Plan; and (3) Adopting Other Related Rulings and Relief Necessary to Implement the Commission's Ratemaking Policies.	A.26-07-001 (Filed July 1, 2026)

REPLY OF GOLDEN STATE WATER COMPANY (U 133 W) TO PROTEST OF THE PUBLIC ADVOCATES OFFICE TO GOLDEN STATE WATER COMPANY'S APPLICATION 26-07-001

I. INTRODUCTION

Pursuant to Rule 2.6(e) of the Rules of Practice and Procedure ("Rules") of the California Public Utilities Commission ("Commission"), Golden State Water Company ("Golden State") respectfully submits this reply to the Protest of the Public Advocates Office at the Commission ("Cal Advocates") to Golden State's Application 26-07-001 ("Protest"). There are several problems with the Protest that Golden State will address herein.

The first problem with the Protest is that Cal Advocates presents information from Application 26-07-001 ("Application") selectively and in some cases, incorrectly, with the apparent intent of casting the Application in a particularly negative light. Specifically, Cal Advocates points to outlier data when describing Golden State's requested revenue requirement increases without revealing that the data applies to a single ratemaking area, and Cal Advocates complains of the affordability impacts of Golden State's proposals without addressing the need for the capital improvements at issue in any meaningful way. Moreover, Cal Advocates does so while ignoring the aspects of the Application centered on making water service more affordable. Cal Advocates also implies that the amount of funding Golden State proposes for Construction Work-In Progress ("CWIP") is much higher than Golden State's actual request and erroneously claims that Golden State's ratepayers have not benefitted from the revenue requirement associated with previously authorized CWIP, ignoring that Golden State is subject to an earnings test to ensure the company is spending its authorized capital budget (including in respect of CWIP projects) timely. The record in this proceeding will demonstrate that Golden State's proposed capital budget, including CWIP, is just, reasonable, and results from Golden State's prudent consideration of customer needs. The Commission should not be swayed by Cal Advocates' contentions to the contrary, which rely on outlier data, incomplete information, and incorrect claims.

The second problem with the Protest is that in arguing that Special Requests 2, 9, and 10 should not be included in the scope of this proceeding, Cal Advocates would have the Commission violate applicable law and ignore established Commission practice. With regard to Special Request 2, Cal Advocates contends that the Commission should not even consider Special Request 2 – a proposal to implement Golden State's Water Conservation and Affordability Plan ("WCAP") in the instant proceeding – because the Commission "considered and denied"[1] a similar request in Golden State's 2023 GRC. Adopting Cal Advocates' recommendation would violate California Public Utilities Code ("PU Code") Section 727.5(d)(2), which requires the Commission to consider each Class A water utility request for revenue decoupling, as well as fundamental tenants of administrative law that preclude the Commission from binding its successors. With regard to Special Requests 9 and 10, Cal Advocates argues that the Commission should exclude them from this proceeding because they are deviations from the Rate Case Plan and "an individual General Rate Case Application is not the proper forum"[2] to request a deviation. To the contrary, since the inception of the Rate Case Plan, the Commission has considered proposed deviations in numerous individual GRCs and has granted them when the water utility has shown good cause for the deviation.[3] There is no reason for the Commission either to disavow its past practices or to violate the PU Code as Cal

---

[1] Protest at 5.

[2] *Id*.

[3] D.05-12-020 at 8; *Assigned Commissioner's Scoping Memo and Ruling* in Docket A.19-07-004 at 6 (Special Request #9) (*see* D.21-11-018 in Docket A.19-07-004 at 152); D.26-04-045 at 10 (Scoped Issue #19) and 11 (Scoped Issue #24).

Advocates would have it do in this proceeding. Accordingly, the Commission should include Special Requests 2, 9, and 10 within the scope of this proceeding in the ordinary course.

The third problem with the Protest is Cal Advocates' request that the Commission adopt a deviation from its normal ex parte Rules that is unwarranted and potentially prejudicial to Golden State. Specifically, Cal Advocates requests that the Commission prohibit oral ex parte communications in this proceeding or, in the alternative, permit only written ex party communications and all-party meetings.[4] The Commission has established carefully constructed Rules governing individual ex parte communications in ratesetting proceedings that are appropriately protective of the Commission's decision-making process.[5] Moreover, adoption of Cal Advocates' proposal would prejudice Golden State in other Commission proceedings in which there is overlap between issues under consideration in those proceedings and issues under consideration in the instant proceeding. Golden State actively and regularly participates in quasi-legislative proceedings at the Commission in which ex parte communications are allowed without restriction or reporting requirement in accordance with the Rules.[6] Were there to be common issues in those proceedings while the instant proceeding is ongoing, Golden State would be prevented from engaging in ex parte communications in the quasi-legislative proceedings, notwithstanding that the other parties to those proceedings would be able to communicate with Commission decisionmakers. The risk of such prejudice is precisely why the Commission should not selectively depart from its established Rules unless there is a specific reason why the deviation is needed in a particular proceeding. No such deviation is needed in this GRC. Cal Advocates made similar requests in Golden State's 2020 and 2023 GRCs, and the assigned Commissioner in each proceeding ultimately rejected Cal Advocates' requests.[7] The assigned administrative law judge or Commissioner should do the same in this proceeding.

[4] Protest at 5.

[5] *See* Rule 8.2(c)(2) of the Commission's Rules of Practice and Procedure.

[6] Rule 8.2(a) of the Commission's Rules of Practice and Procedure.

[7] *Assigned Commissioner's Scoping Memo and Ruling* in Docket A.20-07-012 (Apr. 14, 2021) at 8 (ruling that ex parte communications are restricted pursuant to Article 8 of the Rules); *Assigned Commissioner's Scoping Memo and Ruling* in Docket A.23-08-010 (January 4, 2024) at 6 (ruling that ex parte communications are restricted pursuant to Article 8 of the Rules).

The fourth problem with the Protest is that Cal Advocates fails to justify its request for a proceeding schedule that includes at least sixteen weeks following issuance of the scoping memorandum for this proceeding ("Scoping Memo") to prepare its testimony and reports.[8] With the exception of Cal Advocates' recommendation to exclude Special Requests 2, 9 and 10 from the scope of this proceeding, Golden State agrees with the list of issues that Cal Advocates set forth on pages 3 and 4 of the Protest. There is no reason that Cal Advocates needs to wait for the Scoping Memo to be issued to begin preparing its testimony. Moreover, Cal Advocates began conducting discovery more than two months ago – well before Golden State filed the Application – belying any suggestion that the schedule needs to be delayed to allow for discovery. Accordingly, to facilitate the timely conclusion of this proceeding in accordance with the Rate Case Plan (and the overall schedule proposed by Cal Advocates, with which Golden State agrees), the Commission should require that Cal Advocates serve its testimony on January 25, 2027.

The final issue that requires clarification is Cal Advocates' recommendation that at least one public participation hearing ("PPH") be scheduled to occur in each of Golden State's "service territories."[9] It is unclear what Cal Advocates means by "service territories." Golden State has three regions (Region 1, Region 2 and Region 3, each a "Region"), comprised of twenty-one distinct customer service areas ("CSAs") with customers,[10] and located in northern, coastal and southern California. In its 2020 GRC, Golden State organized separate PPHs for each of its three Regions[11] and in its 2023 GRC, Golden State organized separate virtual PPHs for each of its three Regions.[12] To be consistent with past practice while ensuring accessibility in this proceeding, Golden State proposes to organize a separate in-person PPH in one CSA in each geographical area (northern, coastal and southern) for a total of three in-

---

[8] Protest at 6.

[9] *Id*.

[10] Golden State's twenty-second CSA, Sutter Pointe, does not yet have customers. *See Golden State Water Company Report on Results of Operations Region 1 Sutter Pointe* at 3-1.

[11] *Email Ruling Correcting and Superseding May 6, 2021 Ruling Noticing Remote Public Participation Hearings for Golden State Water Company's General Rate Case for Years 2023-2024* in Docket A.20-07-012 (May 7, 2021) at 2-3.

[12] *Administrative Law Judge's Ruling Noticing Public Participation Hearing* in Docket A.23-08-010 (March 29, 2024) at 1-2.

person PPHs, and an additional virtual PPH to provide access for any customers that cannot attend an in-person meeting.

II. DISCUSSION

A. Golden State's proposed capital budget reflects careful analysis of customer needs to provide safe and reliable service.

The record in this proceeding will demonstrate that Golden State has prudently analyzed the needs of each of its CSAs to determine the projects that are necessary to provide safe and reliable water service to its customers, and the just and reasonable rate increases proposed in Golden State's Application are the result of that analysis. However, in several instances in the Protest, Cal Advocates presents information from the Application in a manner that appears intended to raise consternation rather than inform. Specifically, Cal Advocates decries Golden State's proposed capital projects as "excessive,"[13] and describes Golden State's rate increases as "three to four times the rate of inflation and typical cost of living raises."[14] In making these claims, the Protest focuses on outlier data from the Application without providing the further information or context that would demonstrate that its example is not indicative of the Application as a whole[15] and fails to address the need for the capital projects that Golden State proposes in any meaningful way.

Cal Advocates' efforts to frame the Application as negatively as possible are exemplified by its statement that "Golden State proposes to increase its revenue requirement by up to 59.95% (compounded) in some ratemaking areas."[16] First, there is only one ratemaking area – not "some" – in which Golden State proposes to increase its revenue requirement by percentages that, when compounded over the three-year rate cycle, result in an increase of 59.95%. That ratemaking is the Northern Consolidated area, for which Golden State proposes to increase the revenue requirement by 46.29% in 2028, and then by 4.41% in 2029 and 4.72% in 2030.[17] The

---

[13] Protest at 2.

[14] *Id.*

[15] *Id*. at 1.

[16] *Id*.

[17] Application at 2.

other ratemaking areas have significantly smaller increases, which is why the total revenue requirement increase over the nine ratemaking areas is 19.40% in 2028, 6.88% in 2029, and 6.57% in 2030.[18] Moreover, in two ratemaking areas, San Juan Oaks and Sutter Pointe, Golden State is actually proposing to reduce its revenue requirement in the 2029 and 2030 escalation years.[19] Cal Advocates provides none of this context and instead misleadingly implies the compounded increase of 59.95% would apply in more than one ratemaking area.

Similarly, Cal Advocates' comparison of Golden State's rate increases to the rate of inflation and cost of living raises, as well as its characterization of Golden State's proposed capital additions as "excessive", are not informative because they fail to address the need for the improvements. By decrying the rate increases as "three to four times the rate of inflation and typical cost of living raises,"[20] Cal Advocates argues that Golden State's capital budget should be rejected simply because the proposed rate increases outpace the rate of inflation and such cost of living raises. Cal Advocates does not identify the rate of inflation or "typical" cost of living raises to which it is referring, but the premise that rates should rise only in accordance with inflation and such cost-of-living increases misses the mark. The fundamental purpose of undertaking capital projects is to ensure that customers are supplied with safe and reliable water service; Golden State cannot simply forego the projects necessary to serve that end[21] because paying for the required projects in a given service year would result in a rate increase that is higher than the applicable rate of inflation. Additionally, many costs incurred by Golden State that are necessary to provide safe and reliable service, including labor-related and insurance costs, have increased beyond the rate of inflation.

---

[18] *Id*.

[19] *Id*.

[20] Protest at 2.

[21] As a single example, a field assessment performed in 2017 determined that five of the six wells supplying the Arden System "have exceeded their service life", and recommended that Golden State "plan for the drilling and construction of two new water supply wells, each capable of meeting maximum daily demands" plus "an additional well . . . within the next three years to replace existing wells that are anticipated to fail." (*Golden State Water Company Prepared Testimony: Operating District Capital Additions*, Vol. 1 at 44, lines 3-9.) Because Golden State does not currently own property large enough to accommodate all planned wells, storage facilities, and regulatory well site control room required by the State Water Resources Control Board, Division of Drinking Water, the capital budget of the Arden System includes the cost of purchasing such property as the first phase of construction of these necessary improvements, to avoid well failure and ensuing water supply reductions. (*Id*. at 43-45.)

The above said, the Application demonstrates that Golden State is in fact deeply concerned about water affordability. Several of Golden State's proposals are directly targeted at making water service more affordable, including the significant increase of the Customer Assistance Program discount from 20% to 25%,[22] the consolidation of the Los Osos and Santa Maria CSAs,[23] and the progressive rate design that would be enabled by the WCAP.[24] Rather than acknowledging any of these proposals, Cal Advocates is actually recommending that the Commission exclude consideration of the WCAP from the scope of this proceeding entirely. The illegality of that recommendation is discussed further below, but in light of Cal Advocates' assertions regarding the Application raising affordability concerns, Cal Advocates' opposition to the Commission even considering the WCAP is confounding. The record will demonstrate that the WCAP, together with the rate design it enables, is one of the most effective tools available for making water more affordable, particularly for those who conserve water and therefore contribute to more efficient water usage and reduced future expenditures on water system infrastructure.[25]

In discussing Golden State's CWIP, Cal Advocates also presents incorrect information in a manner that appears intended to frame Golden State's proposal as negatively as possible. Both the data provided by Cal Advocates and its claims regarding Golden State's CWIP are inaccurate.

First, Cal Advocates asserts that Golden State "forecasts a $228.7M budget for projects that are in progress or were completed in 2025, but not yet closed. Golden State also forecasts $387.8 million for the completion of projects booked in recorded CWIP between 2026-2029."[26] By using the word "forecasts" when referring to both amounts, Cal Advocates implies that there is $228.7M of CWIP that has not been spent. This is not correct. Golden State has already recorded $228.7M in CWIP for costs actually incurred on existing capital projects; $387,772,416

---

[22] Application at 27.

[23] *Id*. at 26.

[24] *Id*.at 25.

[25] *Id*.

[26] Protest at 2.

is the additional funding needed to complete and close those CWIP capital projects during 2026 through 2029.[27]

Second, Cal Advocates argues that CWIP should not be included in rate base, erroneously claiming that ratepayers have not received any benefits from the revenue requirement associated with previously authorized CWIP projects.[28] Contrary to such claims, the Commission recently reaffirmed long-standing policies recognizing that CWIP is a legitimate component of water utilities' cost of service during construction and allowing water utilities to forecast CWIP amounts to be included in their rate base.[29] Moreover, Cal Advocates' arguments ignore that Golden State is subject to an earnings test, which provides a safeguard ensuring that Golden State is timely spending its authorized capital budget, including in respect of CWIP projects. [30] To the extent that previously authorized projects are deferred, amounts included in the revenue requirement are invested in other critical, unbudgeted work that is necessary to maintain public health and safety and that benefits Golden State's customers.[31] These unbudgeted projects are subject to an extensive internal review and approval process before funds can be committed.[32] In Golden State's ongoing efforts to provide the best service possible to customers, Golden State utilizes funds strategically, in response to actual circumstances and the priorities that evolve from those circumstances. This is normal and prudent utility practice.

B. Special Requests 2, 9, and 10 are properly within the scope of this proceeding.

Cal Advocates states that Golden State's Special Request 2 – to implement the WCAP – should be excluded from this proceeding because "[t]his request was considered and denied in

[27] *Golden State Water Company Prepared Testimony of Elizabeth V. McDonough, Dane T. Sinagra, and David Schickling* (hereinafter "*Opening Testimony of McDonough, Sinagra and Schickling*"), Vol. 1 at 2, line 17, through 3, line 8 (explaining: "1) $174,801,453 represents forecasted expenditures in 2026 on currently open projects; 2) $106,325,250 represents forecasted expenditures in 2027 on currently open projects; 3) $66,295,855 represents forecasted expenditures in 2028 on currently open projects, and 4) $40,349,858 represents forecasted expenditures in 2029 on currently open projects.")

[28] Protest at 2.

[29] D.26-07-032 at 49-50 (citing to State of California Memorandum dated May 11, 1982, at 1).

[30] *Opening Testimony of McDonough, Sinagra and Schickling* at 17-18.

[31] *Id*. at 14-15.

[32] *Id*. at 17.

the previous General Rate Case Application as well as Golden State's Application for Rehearing."[33] However, Code Section 727.5(d)(2) requires that the Commission consider each request by Class A water utility to implement revenue decoupling, stating: "Upon application by a water corporation with more than 10,000 service connections, the commission shall consider, and may authorize, the implementation of a mechanism that separates the water corporation's revenues and its water sales, commonly referred to as a 'decoupling mechanism.'"[34] The California Legislature was explicit: although the Commission has discretion as to whether to authorize revenue decoupling (*i.e.*, "may authorize"), considering the revenue decoupling proposal is mandatory (*i.e.*, "shall consider"), and whether similar requests were approved or denied in the past is not relevant to this requirement. Accordingly, the Commission cannot simply elect not to include Special Request 2 in the scope of this proceeding. Moreover, Cal Advocates' argument that the Commission should not consider a request simply because a previous Commission denied the request contravenes an essential principle of administrative law: that absent statutory constraints, past Commissions cannot set precedent on an issue such that future Commissions are unable to exercise their own discretion.[35] For all of the foregoing reasons, Golden State's Special Request 2 must be included in the scope of this proceeding.

In reference to Golden State's Special Requests 9 and 10, Cal Advocates asserts that "an individual General Rate Case Application is not the proper forum to seek deviation from the Rate Case Plan that is applicable to all Class A water utilities."[36] This is incorrect on multiple counts.

---

[33] Protest at 4-5.

[34] Cal. Pub. Util. Code § 727.5(d)(2)(A).

[35] Cal. Pub. Util. Code § 1708: "The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or decision shall, when served upon the parties, have the same effect as an original order or decision." *See* D.16-06-053 at 17 ("While the Commission can consider prior decisions as a guide, "the Commission is not bound by its precedent, unlike a court." . . . Accordingly, since the Commission "exercises legislative powers when it sets rates," a prior decision setting rates "would not bind successor Commissions." (citing D.14-04-022 at 8 and *Re Pac. Gas & Elec. Co*. 30 CPUC 2d 189 (1988) at 223-225)); *see also* D.04-02-063 at 182-183, Conclusion of Law 49: ("Although D.98-10-026 stated that it was permanently eliminating depreciation reviews and approvals, this was not binding on future Commissions. The Commission has authority under Pub. Util. Code § 1708 to modify a prior decision, including D.98-10-026, after providing notice and an opportunity to be heard.").

[36] Protest at 5.

First, from the time of the inception of the Rate Case Plan[37] the Commission recognized that deviations may occur, stating in a 2005 GRC decision that it would "adhere to the plan's requirements unless a party shows good cause for a deviation."[38] Over the years since then, the Commission has frequently considered deviations from the Rate Case Plan,[39] and has approved those deviations in certain cases, including as recently as April, 2026, when the Commission adopted a settlement agreement that includes a special request under which California Water Service Company ("Cal Water") may deviate from the Rate Case Plan to update its practice for approving deferred taxes during the attrition year to avoid a normalization violation.[40] In other proceedings, such deviations have been approved following litigation. For example, the Commission first adopted the Sales Reconciliation Mechanism ("SRM") in Cal Water's 2011 GRC, notwithstanding arguments by Cal Advocates (then the Office of Ratepayer Advocates or "ORA") and The Utility Reform Network ("TURN") during litigation that the SRM is a deviation from the Rate Case Plan and should not be considered in a GRC.[41] In fact, the Commission expressly rejected the contentions of ORA and TURN that such a deviation should be considered only in a general rulemaking.[42] Similarly, in the 2019 GRC of California American Water Company ("Cal-Am"), the Commission concluded that the scope of the proceeding should include Cal-Am's request to amortize rate case expenses on a different schedule than that provided in the Rate Case Plan, in spite of Cal Advocates' argument that "this request would violate the Commission's Revised Rate Case Plan and should only be considered through an industry-wide rulemaking."[43] Just as it did in these prior GRCs of Cal Water and Cal-Am, so too should the Commission reject Cal Advocates' arguments to exclude Special Requests

---

[37] D.04-06-018.

[38] D.05-12-020 at 8.

[39] D.26-04-045 at 10 (Scoped Issue #19) and 11 (Scoped Issue #24); *Assigned Commissioner's Scoping Memo and Ruling* in Docket A.19-07-004 at 6 (Special Request #9), *see* D.21-11-018 in Docket A.19-07-004 at 152; *In the Matter of the application of Cal. Water Serv. Co.*, 2010 WL 5137033 (Cal. P.U.C. Dec. 2, 2010), Attachment D, Section 10.0, Special Request #14.

[40] D.26-04-045 at 175-176 (Order # 40).

[41] D.14-08-011 at 19.

[42] *Id*. at 19-20.

[43] D.21-11-018 at 152.

9 and 10 from the scope of this proceeding on the grounds that they are deviations from the Rate Case Plan that should not be considered in a utility's individual GRC.

Second, as the Commission's established practice recognizes, some situations warrant a deviation from the Rate Case Plan based on the individual circumstances of the applicable utility at the time the request is made. These situations may not arise again and may not be relevant to other water utilities. Thus, although a deviation may be appropriate given the facts at issue, a change to the Rate Case Plan following an industry-wide proceeding may not be desirable or efficient. By special request in its 2024 GRC, Cal Water proposed to deviate from the Rate Case Plan and calculate payroll escalation for escalation-year and attrition-year step filings using the company's actual union-contract annual wage increases ("CBA-based wage increases").[44] The Commission considered the particular facts of Cal Water's request[45] and ultimately concluded that Cal Water's CBA-based wage increase were appropriate for establishing Test Year labor costs, but that Cal Water did not demonstrate that applying the increases to the escalation years would result "in more reasonable forecasts than the Commission's established inflation-based methodology."[46] Critically, the Commission allowed consideration and litigation of the deviation, ultimately rejecting it not because it was a deviation from the Rate Case Plan but because it was not persuaded by Cal Water's evidentiary showing. In this case, the Commission also should consider the facts underlying Special Requests 9 and 10 on their merits and not exclude the proposals from the scope of this proceeding simply because they deviate from the Rate Case Plan, as Cal Advocates recommends.

C. The Commission should not deviate from the Rules governing ex parte communications in this proceeding.

Cal Advocates' request that the Commission prohibit oral ex parte communications in this proceeding or, in the alternative, permit only written ex parte meetings and all-party meetings, is unwarranted and should be rejected. To support this request, Cal Advocates cites to the Commission's authority under Public Utilities Code Section 1701.3(h)(1) to prohibit ex-parte

[44] D.26-04-045 at 130.

[45] *Id.* at 130-133.

[46] *Id.* at 133.

communications in ratesetting proceedings, stating that this proposal "will enhance transparency and better ensure that the decisions made in this proceeding are based solely on the evidentiary record."[47] But Cal Advocates fails to provide any explanation as to why this proceeding should be treated any differently than any other ratesetting proceeding, such that a deviation from the Commission's standard Rules would be warranted. The provision of Section 1701.3 to which Cal Advocates cites, clause (h)(i), was added by Senate Bill 215, which was approved by the Governor on September 29, 2016. Thereafter, the Commission modified its ex parte Rules to implement various statutory amendments pursuant to Senate Bill 215. At that time, the Commission recognized that the new legislation conferred express authority upon the Commission to ban ex parte communications in ratesetting proceedings.[48] Nonetheless, in the extensive changes made to its ex parte Rules to implement the statutory amendments, the Commission declined to exercise this authority as a general matter.[49] Rather, the Commission determined to allow individual communications in ratesetting proceedings, subject to equal time and advance notice requirements, a quiet period of three days prior to the applicable Commission voting meeting and extending until after the meeting concludes, and reporting requirements. The Commission revisited the Rules governing ex parte communications in Resolution ALJ-485, adopted on June 11, 2026; once again, no changes were made to disallow individual communications in ratesetting proceedings. Rather the Commission only (1) clarified the definition of "Ex parte communication" to exclude communications occurring in a public hearing of the California Legislature, (2) modified Rules 8.2(c) and 8.2(d) to treat ex parte communications in intervenor compensation claims the same as in ratesetting and catastrophic wildfire proceedings, and (3) modified Section 8.2(c)(4) to update the Code section establishing the "quiet period" preceding Commission voting meetings to allow oral or written ex parte communications during such quiet period if permitted under the applicable statute.[50] The Rules

[47] Protest at 5.

[48] *See* Resolution ALJ-344 (approving modifications to the Rules of Practice and Procedure) (December 6, 2017) at 5.

[49] *Id*. at Appendix A at A-21 to A-29 (showing modifications to Rules 8.1, 8.2, 8.3 and 8.4 and deletion of Rule 8.6).

[50] Resolution ALJ-485 at Appendix A, p. 11-14.

allowing individual communications in ratesetting proceedings, subject to the safeguards referenced above, were not changed, and remain as follows:

> (A) If a decisionmaker, other than the policy or legal advisory staff assigned to a Commissioner's office, grants an ex parte communication meeting or call to any interested person individually or to a group of interested persons outside of an all-party meeting, all other parties shall be granted an individual meeting of a substantially equal period of time with that decisionmaker.
> (B) If a decisionmaker grants an ex parte communication meeting or call to any interested person individually or to a group of interested persons outside of an all-party meeting, the interested person requesting the initial individual meeting shall notify the parties that its request has been granted, and shall file this notification, at least three working days before the meeting or call. A single notification on behalf of a group of interested person will suffice.
> (C) Individual oral ex parte communications are not permitted during the three working days before the Commission's scheduled vote on the decision in the proceeding and extending until after the Commission's voting meeting concludes.
> (D) Individual oral ex parte communications are subject to the reporting requirements set forth in Rule 8.4.[51]

As such, the Commission has established carefully constructed Rules that are appropriately protective of its decision-making process and that ensure "transparency" through both advance notice and post-communication reporting requirements. The Commission has explained that compliance with those notice requirements makes other parties, and interested parties, aware of the extent of the communications.[52] Cal Advocates fails to articulate any reason why a deviation from the Rules would be needed in the instant proceeding. And in fact, there is none. This is a normal-course GRC, and the normal Rules should apply.

[51] Rule 8.2(c)(2) of the Commission's Rules of Practice and Procedure.

[52] D.18-04-014 at 10.

In fact, because Golden State actively participates in quasi-legislative proceedings at the Commission in which ex parte communications are allowed without restriction or reporting requirements,[53] deviating from the normal Rules, as Cal Advocates requests, has significant potential to be prejudicial to Golden State in other Commission proceedings. Under the normal Rules, Golden State would be allowed to engage in ex parte communications in quasi-legislative proceedings; it would just be subject to compliance with the provisions of Rule 8.2(c)(2) set forth above. But if the Commission were to adopt the deviation from the Rules that Cal Advocates is promoting, Golden State would be prevented from engaging in oral ex parte communications, with the potential exception of all-party meetings, in quasi-legislative proceedings with regard to any overlapping issues, notwithstanding that the other parties to those proceedings would be able to communicate with Commission decisionmakers without restriction (other than complying with Rule 8.2(c)(2) to the extent that another party also has a concurrent ratesetting proceeding with an overlapping issue). To avoid creating a regulatory environment that favors some parties who participate in Commission proceedings over others, the Commission should not selectively depart from its established Rules unless there are particular circumstances that make the deviation truly necessary. As there are no such circumstances in the instant proceeding, there is no reason to deviate from the Commission's normal ex parte Rules and thereby risk creating undue prejudice in other proceedings.

Cal Advocates had requested similar deviations from the normal ex parte Rules in Golden State's 2020 GRC[54] and in Golden State's 2023 GRC[55] (requesting, in each case, to prohibit ex parte communications or in the alternative to permit only all-party meetings). The assigned Commissioner properly rejected Cal Advocates' request in both of those proceedings.[56] The assigned administrative law judge or Commissioner should do the same in this proceeding.

---

[53] Rule 8.2(a) of the Commission's Rules of Practice and Procedure.

[54] *Protest of the Public Advocates Office to Golden State Water Company's Application 20-07-012* in Docket A.20-07-012 (Aug. 19, 2020) at 5.

[55] *Protest of the Public Advocates Office to Golden State Water Company's Application 23-08-010* in Docket A.23-08-010 (September 20, 2023) at 4.

[56] *See, supra*, note 7.

D. The Commission should reject Cal Advocates' unjustified request to delay delivery of Cal Advocates' testimony.

The Commission should deny Cal Advocates' request to adopt a schedule for this proceeding that delays service of Cal Advocates' prepared testimony until sixteen weeks after issuance of the Scoping Memo in this proceeding.[57] Adopting Cal Advocates' proposal would unnecessarily delay this proceeding without any discernible purpose or benefit. With the exception of Cal Advocates' recommendation to exclude Special Requests 2, 9 and 10 from the scope of this proceeding (which the Commission should reject for the reasons set forth above), Golden State agrees with the list of issues that Cal Advocates set forth on pages 3 and 4 of the Protest. As there is alignment regarding the scope of this proceeding for all but three items, nothing prevents Cal Advocates from beginning to prepare its testimony prior to the issuance of the Scoping Memo. In fact, Cal Advocates began conducting discovery in this proceeding more than two months ago. Golden State received the first data request from Cal Advocates on June 12, 2026, three weeks before Golden State filed its Application on July 1, 2026. As of the date of this reply, Golden State has received thirty-five total formal data requests from Cal Advocates and has been working diligently to provide responses. Accordingly, Cal Advocates' discovery is already well advanced. Requiring service of Cal Advocates' testimony no later than January 25, 2027, will not negatively impact Cal Advocates' ability to prepare its testimony. Rather, it will help prevent unnecessary delays in the resolution of this proceeding and facilitate the timely conclusion of this proceeding in accordance with the Rate Case Plan (and the overall schedule proposed by Cal Advocates, with which Golden State agrees).

E. Golden State should organize a separate in-person PPH in one CSA in each of the three geographical areas in which it serves customers and one remote PPH.

Cal Advocates' proposal regarding the number of PPHs that Golden State should conduct is ambiguous. Cal Advocates states that "a minimum of one PPH in each of Golden State's service territories"[58] should be scheduled in this proceeding, but Cal Advocates' intent regarding the meaning of "service territories" is unclear. Taken literally, Cal Advocates' recommendation

---

[57] Protest at 6.

[58] *Id.*

may result in Golden State being required to hold twenty-one PPHs, as Golden State's three Regions are comprised by twenty-one distinct CSAs[59] that currently have customers.[60] This of course would be excessive, and significantly more than Golden State has conducted historically. In Golden State's 2020 GRC, the administrative law judge reasonably required Golden State to organize two PPHs (one afternoon PPH and one evening PPH) for each of its three Regions, which Golden State held virtually,[61] and in Golden State's 2023 GRC, the administrative law judge ordered three virtual PPHs, one for each Region.[62] To ensure accessibility while remaining consistent with past practice, Golden State should organize a separate in-person PPH in one CSA located within each of the three geographical areas in which it serves customers (northern, coastal and southern California) for a total of three in-person PPHs, and one additional virtual PPH to provide access for any customers that cannot attend an in-person meeting.

III. CONCLUSION

For the foregoing reasons, the Commission should not be influenced by Cal Advocates' negative presentation of the Application; the record in this proceeding will demonstrate that Golden State's requests in this proceeding are just and reasonable and will allow Golden State to invest in crucial plant, property, and equipment needed to provide safe and reliable service to its customers. Further, the Commission should include Special Requests 2, 9, and 10 in the scope of this proceeding, reject Cal Advocates' request to deviate from the Commission's ex parte Rules in this proceeding, require submission of Cal Advocates' testimony no later than January 25,

---

[59] *Golden State Water Company Report on Results of Operations Region 1 Northern Consolidated* at 3-1 through 3-3; *Golden State Water Company Report on Results of Operations Region 1 Bay Point* at 3-1; *Golden State Water Company Report on Results of Operations Region 1 Los Osos* at 3-1; *Golden State Water Company Report on Results of Operations Region 1 San Juan Oaks* at 3-1; *Golden State Water Company Report on Results of Operations Region 1 Santa Maria* at 3-1; *Golden State Water Company Report on Results of Operations Region 1 Simi Valley* at 3-1; *Golden State Water Company Report on Results of Operations Region 1 Sutter Pointe* at 3-1; *Golden State Water Company Report on Results of Operations Region 2* at 3-1 through 3-2; *Golden State Water Company Report on Results of Operations Region 3* at 3-1.

[60] Golden State's twenty-second CSA, Sutter Pointe, does not yet have customers. *See Golden State Water Company Report on Results of Operations Region 1 Sutter Pointe* at 3-1.

[61] *Email Ruling Correcting and Superseding May 6, 2021 Ruling Noticing Remote Public Participation Hearings for Golden State Water Company's General Rate Case for Years 2023-2024* in Docket A.20-07-012 (May 7, 2021) at 2-3.

[62] *Administrative Law Judge's Ruling Noticing Public Participation Hearing* in Docket A.23-08-010 (March 29, 2024) at 1-2.

2027, and clarify that Golden State should organize a separate in-person PPH in one CSA located within each of the three geographical areas in which it serves customers (northern, coastal and southern California) for a total of three in-person PPHs, and one additional remote PPH.

August 12, 2026

Respectfully submitted,

/s/ Chris A. Kolosov

Chris A. Kolosov
Joseph M. Karp
Sheppard, Mullin, Richter & Hampton, LLP
Four Embarcadero Center, 17th Floor
San Francisco, California 94111-4109
Telephone: (415) 774-3118
Facsimile: (415) 403-6078
Email: jkarp@sheppard.com
ckolosov@sheppard.com
Attorneys for Golden State Water Company