

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

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

Application No. 24-08-011

**JOINT MOTION OF GOLDEN STATE WATER COMPANY AND THE PUBLIC
ADVOCATES OFFICE FOR THE ADOPTION OF SETTLEMENT AGREEMENT**

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March 7, 2025

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I. INTRODUCTION

Pursuant to Rule 12.1 *et seq.* of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), and in accordance with the rulings issued by the assigned Administrative Law Judge (“ALJ”) in the above-captioned proceeding (“Proceeding”), the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”) and Golden State Water Company (“Golden State”) (collectively, the “Parties”), hereby move that the Commission adopt the Settlement Agreement attached hereto as Attachment A (“Settlement Agreement”), in its entirety and without modification.¹ The Parties mutually and jointly support the Settlement Agreement as reasonable, consistent with the law, and in the public interest.

¹ In accordance with Rule 12.1(a), a comparison exhibit is included herein as Table 1 to the Settlement Agreement and Table 2 below.

II. BACKGROUND

Pursuant to the Rate Case Plan (“RCP”) adopted in Decision (D.) 07-05-062, and as required by D.14-06-051, Golden State filed Application (A.) 24-08-011 on August 26, 2024, for authority to implement initial rates for water service in its Sutter Pointe Customer Service Area (“CSA”) for the years 2026, 2027, and 2028. On September 25, 2024, Cal Advocates filed a Protest to the Application. On October 7, 2024, Golden State filed a Reply to Cal Advocates’ Protest.

The Commission held a telephonic prehearing conference before ALJ Nojan on October 29, 2024, and Assigned Commissioner Houck issued the Assigned Commissioner’s Scoping Memo and Ruling (“Scoping Memo”) on December 13, 2024. Cal Advocates served its opening testimony on December 2, 2024. Golden State served its rebuttal testimony on December 30, 2024.

Pursuant to Rule 12.1(b), the Parties held a formal Settlement Conference on January 9, 2025. On January 13, 2025 Golden State submitted a Settlement Status Report informing the Commission that the Parties reached a settlement in principle on all disputed issues in the proceeding. Following the formal settlement conference and Settlement Status Report, the Parties entered into the Settlement Agreement. The Settlement Agreement resolves all issues in this Proceeding. Per ALJ Nojan’s February 14, 2025 E-mail ruling, the Parties were directed to file their Settlement Agreement by motion no later than March 7, 2025.

III. DISCUSSION

The Commission has a well-established policy of adopting settlements if they are fair and reasonable in light of the whole record.² This policy reduces the expense of litigation, conserves

² D.11-06-023 at 13.

finite Commission resources, and allows parties to “reduce the risk that litigation will produce unacceptable results.”³ In D.00-09-034, the Commission held that the parties’ evaluation of their respective litigation positions and an appropriate outcome should carry material weight in the Commission’s review of a settlement.⁴ Under Rule 12.1(d), the Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

A. The Settlement Agreement is Reasonable in Light of the Whole Record

In this proceeding, the Settlement Agreement is reasonable in light of the whole record because it will allow Golden State to recover a reasonable amount of costs as needed to ensure safe and reliable water service to its customers in the Sutter Pointe CSA, while promoting operational efficiency and prudent infrastructure development. The Settlement Agreement is the result of diligent negotiations between Golden State and Cal Advocates, reflecting careful consideration of the interests of utility shareholders and ratepayers in both maintaining reasonable rates, and investing in the infrastructure needed to ensure the safe and reliable delivery of water.

The Settlement Agreement itself describes in detail the various proposals made by the Parties in prepared testimony, including on capital and expense items, and reflects the outcome on these issues. The overall process undertaken by the Parties to determine the agreed-upon amounts for Golden State’s capital program and expense forecasts, and the reasonableness of these amounts, is further described below.

³ *Ibid.*

⁴ D.00-09-034 at 20, 26.

Rate Design

A contested issue in this proceeding was the rate design methodology for the Sutter Pointe CSA.⁵ Golden State proposed in the Application to recover 40% of the revenue requirement from fixed service charges and to recover 60% of the revenue requirement in the volumetric charges. Golden State also proposed to include two tiers for volumetric rates for residential customers.

Cal Advocates recommended that the Commission approve a rate design in which Golden State would recover 30% of the revenue requirement from fixed service charges and 70% of the revenue requirement in the volumetric charges. Cal Advocates did not object to the two-tier residential rate design.

In the Settlement Agreement, the Parties have agreed to recommend recovery of 40% of the revenue requirement in the fixed service charges and 60% in the volumetric charges consistent with the outcome adopted by the Commission in D.25-01-036 (Golden State's company-wide GRC). As negotiated relative to Special Request 5, the Parties have agreed further that the rate design mechanisms approved by the Commission in D.25-01-036 should also be established for the Sutter Pointe CSA.⁶

Golden State's Revenue Requirement

A significant area of negotiation between the Parties involved Golden State's revenue requirement for the Sutter Pointe CSA. Revenue requirement is the sum of operating expenses, depreciation and amortization, total taxes, and return on rate base. In its prepared testimony Golden State asserted that its proposed revenue requirement was designed to align with a broader framework to address specific themes, including regulatory mandates, safety, climate change,

⁵ Settlement Agreement, Section 5.17.

⁶ Settlement Agreement, Section 6.5.

water quality, conservation, and technology. In its prepared testimony, Cal Advocates proposed lower revenue requirements in the second and third years of the rate case period.

After weighing all the issues and engaging in negotiations, the Parties have agreed in the Settlement Agreement to changes to the revenue requirement components in the second and third years of the rate case period that are expected to result in revenue requirements that are less than the amounts originally requested by Golden State, greater than the amounts proposed by Cal Advocates, and sufficient for Golden State to provide safe and reliable water service at affordable rates during the rate case period. The actual revenue requirements for Sutter Pointe for 2027 and 2028 will be determined based on Golden State's Attrition Year Advice Letters to implement increases approved by the Commission.

Golden State's Expense Amounts

The expense amounts contained in the Settlement Agreement represent the culmination of detailed analyses concerning forecasted expenses, challenges to the validity of those forecasts, and negotiations regarding numerous aspects of the overall expense budget. The negotiated and agreed upon expense amounts in the Settlement Agreement provide funds that are sufficient to allow Golden State to provide safe and reliable water service to all of its customers in the Sutter Pointe CSA at reasonable rates.

As detailed in the Settlement Agreement, Cal Advocates disputed Golden State's expense forecasts on several fronts, including the appropriate forecasts of Operations and Maintenance expenses,⁷ forecasts of the rate of Water Loss,⁸ and forecasts of Administrative and General

⁷ Settlement Agreement, Section 5.1.1.

⁸ Settlement Agreement, Section 5.5.

expenses.⁹ Following extensive settlement discussions, the Parties were able to achieve overall agreement on all of the contested and uncontested expense items.

Special Request 4

In Special Request 4, Golden State requested that the Commission review and find the costs recorded to its Sutter Pointe General Rate Case Memorandum Account (“SPGRCMA”) through April 30, 2024, to be reasonable. Golden State also requested that the account remain open until a Decision is issued on the Application, and that amortization of the SPGRCMA be delayed to the next GRC. Cal Advocates disagreed with Special Request 4 and maintained that costs and services associated with the SPGRCMA are ongoing. As such, Cal Advocates requested that review of the SPGRCMA be delayed until the next GRC so that a comprehensive review of reasonableness and amortization of the account can be determined at the same time.

The Parties have agreed in the Settlement Agreement to adopt Cal Advocates’ recommendation for Special Request 4 to defer review of the regulatory expenses in the SPGRCMA until the next GRC.

Special Request 6

In Special Request 6, Golden State proposed to rent a temporary trailer to provide support to the Sutter Pointe CSA commencing in 2027. Golden State requested an exception to the attrition filing methodology set forth in the RCP to allow inclusion of the additional costs related to the temporary trailer in its 2027 attrition filing, rather than in the 2026 Test Year. Golden State proposed to include \$25,835 in Attrition Year 2027 and \$26,363 in Attrition Year 2028.

Cal Advocates did not oppose Golden State’s estimated rent and related costs of the temporary trailer, but did not agree with Golden State’s proposed methodology to include such

⁹ Settlement Agreement, Section 5.8.

expenses in Attrition Year 2027. Cal Advocates asserted that the RCP requires utilities to forecast attrition year expenses by escalating the Test Year expenses and recommended that the Commission require Golden State to include \$17,022 in temporary trailer fees and costs in Test Year 2026, and to escalate those costs by the appropriate escalation factors for Attrition Years 2027 and 2028.

The Parties have agreed in the Settlement Agreement to a modified version of Cal Advocates' recommendation, which will include \$25,259 of trailer rental fees and related costs in Test Year 2026, and to escalate those costs by the appropriate RCP escalation factors for Attrition Years 2027 and 2028. The agreed-upon amount in 2026 does not impact the revenue requirement for 2026 due to the rate cap imposed.

Table 2 below presents the Parties' original proposals and the corresponding negotiated results for Test Year 2026. More detailed expense data is presented in Sections 5.0 and 6.0 of the Settlement Agreement.

Table 2 2026 Summary of Earnings					
	GSWC Application (\$)		Settlement (\$)		Cal Advocates Report (\$)
Operating Revenues ¹⁰	229,366.0		229,366.0		229,366.0
Total Supply Expenses	42,896.0		42,713.0		42,553.0
Revenue less Supply Expenses	186,470.0		186,653.0		186,813.0
Total Operation Expenses	143,272.0		142,724.0		142,244.0
Total Maintenance Expenses	22,692.0		22,692.0		22,692.0
Total O&M Excluding A&G	165,964.0		165,416.0		164,936.0
Total Admin & General Expenses	36,566.0		56,303.1		41,303.7
Depreciation and Amortization	53,796.0		53,796.0		53,796.0
Total Taxes not on Income	16,231.0		16,260.0		16,236.0

¹⁰ Operating revenues for 2026 have been reduced in accordance with the rate cap approved in D.16-09-051. The ROR in 2026 will not equal the authorized return on rate base (ROR) as a result of the rate cap, which is in place for 2026.

Table 2 2026 Summary of Earnings					
	GSWC Application (\$)		Settlement (\$)		Cal Advocates Report (\$)
Total Expenses Excluding Income Tax	272,557.0		291,775.1		276,271.7
Net Operating Revenue Before Income Tax	(43,191.0)		(62,409.1)		(46,905.7)
Total Operating Expenses	272,557.0		291,775.1		276,271.7
Net Operating Revenue	(43,191.0)		(62,409.1)		(46,905.7)
Rate Base	465,418.0		470,412.0		466,365.0
Rate of Return	-9.28%		-13.27%		-10.06%
Authorized Rate of Return	7.93%		7.93%		7.93%

The Parties submit that the amounts shown above provide the expense funding needed for Golden State to provide safe and reliable water service to its customers in the Sutter Pointe CSA at reasonable rates. Support for these amounts is fully presented in the Parties' prepared direct and rebuttal testimony.

B. The Settlement is Consistent with the Law

The Parties are not aware of any statutory provision or prior Commission decision that would be contravened or compromised by the Settlement Agreement. The issues resolved in the Settlement Agreement are within the scope of the Proceeding. The Parties have entered into the Settlement Agreement voluntarily and upon review and advice by their respective legal counsels and technical staff, and the Settlement Agreement has been jointly negotiated and drafted. The Commission's approval and adoption of the Settlement Agreement should not be construed as an admission or waiver by any Party regarding any fact, matter of law, or issue thereof that pertains to the subject of the Settlement Agreement, nor as any statement of precedent policy of any kind for any purpose against any Party in any other current or future proceedings. Finally, the Settlement Agreement is an integrated agreement, so that if the Commission rejects any portion of the

Settlement Agreement, either Party to the Settlement Agreement may withdraw after good faith negotiations.

C. The Settlement Agreement is in the Public Interest

The Settlement Agreement provides for reasonable estimates of Golden State's expected costs and revenue requirement. Commission approval of the Settlement Agreement will provide speedy resolution of contested issues, will save unnecessary litigation expense, and will conserve Commission resources. The Commission has acknowledged that "[t]here is a strong public policy favoring the settlement of disputes to avoid costly and protracted litigation."¹¹

Moreover, as explained above, the Settlement Agreement reflects careful consideration between Golden State and Cal Advocates, weighing the interests of utility shareholders and ratepayers in maintaining low rates while investing in infrastructure as needed to ensure the safe and reliable delivery of water service. The agreed-upon expense forecasts included in the Settlement Agreement for Test Year 2026 also reflect a carefully considered agreement that balances proper cost recovery with reasonable rates. For these reasons, the Commission should find that the Settlement Agreement is in the public interest.

IV. CONCLUSION

The Parties jointly sponsor this Motion and the accompanying Settlement Agreement as reasonable, consistent with the law, and in the public interest. For the foregoing reasons, the Parties respectfully request that the Commission approve the Settlement Agreement and issue the

¹¹ D.88-12-083, 30 CPUC 2d 189, p. 221.

requested findings, conclusions and ordering paragraphs set forth in Attachment B as expeditiously as possible.

Dated: March 7, 2025

Respectfully submitted,

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ATTACHMENT A

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Attachment A – RATE SCHEDULE SP-1-R AND SP-1-NR

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1. INTRODUCTION – Settlement Agreement

- 1.1. In accordance with Rule 12.1(a) of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Settling Parties (as defined in section 2 below) enter into this settlement agreement (“Settlement” or “Agreement”) for purposes of resolving all matters in this proceeding.
- 1.2. The Joint Motion for Commission Approval and Adoption of Settlement Agreement (“Settlement Approval Motion”) sets forth the factual and legal bases of the Settlement; advises the Commission of its scope; and presents the grounds on which Commission approval and adoption are urged.
- 1.3. The Settling Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues in this Settlement and, in consideration of the mutual obligations, covenants, and conditions contained herein, have reached the agreements set forth herein.
- 1.4. Since this Settlement represents a compromise by them, the Settling Parties have entered into each component of this Settlement on the basis that its approval by the Commission will not be construed as an admission or concession by any Settling Party that its position on any issue lacks merit, or a claim by a Settling Party that its position has greater or lesser merit than the position taken by any

other Settling Party. This Agreement is subject to the express limitation on precedent as provided in Commission Rule 12.5. Unless specifically stated otherwise herein, the agreements and recommendations proposed in this Agreement are intended to come into effect when the Commission issues a final decision in this proceeding. All issues among and between the Settling Parties have been resolved through this Settlement.

- 1.5.** The general rate case (“GRC”) application in this proceeding was for Test Year 2026. Much of the record in this proceeding is in terms of the 2026 revenue requirement. Most of the figures cited in this Settlement are expressed in terms of 2026 costs and revenue requirements.
- 1.6.** The Parties agree that no Party to this Agreement, or any Party’s legal successors, predecessors, assigns, partners, joint ventures, shareholders, members, representatives, agents, attorneys, parent or subsidiary companies, affiliates, officers, directors, and/or employees thereof, assumes any personal liability as a result of this Agreement.
- 1.7.** The Parties agree that the Commission has primary jurisdiction over any interpretation, enforcement, or remedy pertaining to this Agreement, as provided by the California Constitution, Article XII, Section 8. No Party may bring an action pertaining to this Agreement in any local, State, or Federal court, or administrative agency, without having first exhausted its administrative remedies at the Commission.
- 1.8.** If any Party fails to perform its respective obligations under this Agreement, the other Party may come before the Commission to pursue a remedy including enforcement.
- 1.9.** The Parties agree that this Agreement is an integrated agreement, and the provisions of the Agreement are not severable. Therefore, if the Commission rejects any term or portion of this Agreement, the Parties shall convene a conference within fifteen (15) days thereof and engage in good faith negotiations to determine whether some or all of the remainder of the Agreement is acceptable to the Parties. In the event an agreement is reached, all Parties must consent in writing to any changes, or that Agreement is void. If the Parties cannot agree to

resolve any such issue within thirty (30) days of their conference, this Agreement shall be rescinded, the Parties shall be released from any obligation, representation, or condition set forth in this Agreement, including their obligation to support this Agreement. Thereafter, the Parties may pursue any action they deem appropriate, including any steps required to seek relief from a final Commission Decision.

- 1.10.** The Parties acknowledge and stipulate that they enter this Agreement freely, voluntarily, and without any fraud, duress, or undue influence by any other Party. Each Party hereby states that it has read and fully understands its rights, privileges, and duties under this Agreement, including each Party's right to discuss this Agreement with its legal counsel, and has exercised those rights, privileges, and duties to the extent deemed necessary.
- 1.11.** The Parties have determined that this Agreement is in their best interests, and more cost-effective than undertaking the expenses, delays, and uncertainties of litigation. In executing this Agreement, each Party declares that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Therefore, the Parties jointly request that the Commission accept and adopt this proposed Agreement as reasonable, consistent with the law, and in the public interest.
- 1.12.** The Parties acknowledge and agree that this Agreement has been jointly negotiated and drafted. The language of this Agreement should be construed as a whole according to its plain meaning and not in favor of any Party.
- 1.13.** This Agreement constitutes the entire agreement and understanding between the Parties as to the subject of this Agreement, and supersedes any prior agreements, commitments, representations, or discussions between the Parties.
- 1.14.** As provided herein, this Agreement may not be amended or modified without the express written and signed consent of each Party hereto.
- 1.15.** No Party has relied or relies upon any statement, promise, or representation by any other Party, except as specifically set forth in this Agreement. Each Party expressly assumes the risk of any mistake of law or fact made by such Party or its authorized representative.

- 1.16.** This Agreement and each covenant and condition set forth herein shall be binding upon the respective Parties hereto.
- 1.17.** This Agreement may be executed in counterparts by each Party hereto with the same effect as if all Parties had signed one and the same document. Any such counterpart shall be deemed to be an original and shall together constitute one and the same Agreement.
- 1.18.** While the agreements and recommendations proposed in this Settlement Agreement shall only become effective upon adoption by the Commission, this Agreement shall become effective and binding on the Parties as of the date it is fully executed by all Parties.
- 1.19.** This Agreement represents a compromise from the litigation positions of the Parties, resulting from the fully developed evidentiary record on the issues settled herein, and extensive negotiations between the Parties. The Parties have evaluated the impacts of the various proposals in this proceeding and desire to resolve all issues addressed herein, beginning with a Commission decision adopting this Agreement, in accordance with the terms of the Agreement.
- 1.20.** The Parties shall jointly request Commission approval of this Agreement and shall actively support its prompt approval. The Parties agree that, subject to the confidentiality restrictions under Rule 12.6, they shall make witnesses available to answer any questions by the Commission regarding the Agreement.

2. DEFINITIONS

- 2.1.** The term “A&G” means Administrative and General.
- 2.2.** The term “Application” means the GRC application filed in this proceeding.
- 2.3.** The term “GSWC” or “Golden State” means Golden State Water Company. (U 133-W), the applicant in this proceeding.
- 2.4.** The term “Cal Advocates” means the Public Advocates Office at the California Public Utilities Commission.
- 2.5.** The term “Commission” or “CPUC” means California Public Utilities Commission.
- 2.6.** The term “CWIP” means Construction Work in Progress.
- 2.7.** The term “GRC” means General Rate Case.
- 2.8.** The term “O&M” means Operating & Maintenance.

- 2.9.** The term “Rules” means Rules of Practice and Procedure.
- 2.10.** The term “Settling Parties” or “Parties” means GSWC and Cal Advocates.
- 2.11.** The term “TY” means Test Year.
- 2.12.** The term “In-Tract” represents the capital investments that comprise the portion of the water infrastructure related to the distribution of drinking water to customers, including mains lesser in diameter than twelve (12) inches, vaults, manholes, water service connections, meters, and fire hydrants.
- 2.13.** The term “Backbone infrastructure” refers to the facilities required to deliver water service to Sutter Pointe as a whole. Backbone infrastructure includes all transmission mains, water treatment plants, water storage tanks, booster stations, groundwater wells and any other facilities that the developers and Golden State agree are required to facilitate the provision of water to the project.
- 2.14.** The term “rate-cap” refers to a cap approved by D.16-09-051 on rates for the Sutter Pointe CSA in effect for two rate case cycles (6 years) and equal to 120% of GSWC’s company-wide weighted average revenue requirement per month.
- 2.15.** The term “EDU” refers to equivalent dwelling units.

3. RECITALS

- 3.1.** On August 26, 2024, GSWC filed its Application in this proceeding (A.24-08-011) and served its direct testimony.
- 3.2.** On September 12, 2024, the Commission Administrative Law Judge Division issued Resolution ALJ 176-3551 setting the proceeding’s category as a ratemaking proceeding.
- 3.3.** On September 24, 2024, GSWC filed its Notice of Compliance regarding Noticing and Notice of Availability for this proceeding.
- 3.4.** On September 25, 2024, Cal Advocates filed its Protest to the Application.
- 3.5.** On October 7, 2024, GSWC filed its Reply to Cal Advocates Protest.
- 3.6.** On October 14, 2024, the Administrative Law Judge set a prehearing conference for October 29, 2024.
- 3.7.** On October 29, 2024, a prehearing conference was held before the Administrative Law Judge.

- 3.8.** On December 2, 2024, Cal Advocates served its staff report.
- 3.9.** On December 13, 2024, Commissioner Houck, the Assigned Commissioner, issued the Scoping Memo and Ruling outlining the scope of issues to be considered along with a procedural schedule.
- 3.10.** On December 30, 2024, GSWC served its Rebuttal Testimony.
- 3.11.** On January 9, 2025, GSWC and Cal Advocates held a formal Settlement Conference under Rule 12.1(b).
- 3.12.** On January 13, 2025, GSWC submitted a Settlement Status Report informing the Commission that GSWC and Cal Advocates reached a settlement in principle on all disputed issues in the proceeding.

4. ATTACHMENTS

- 4.1.** The following documents are attached to, and made a part of, this Settlement.
 - 4.1.1.** Attachment A: Rate Schedule SP-1-R and SP-1-NR.
- 4.2.** Upon approval of this Settlement, GSWC is authorized to implement each of the above-referenced attachments through a Tier 1 Advice Letter filing.

5. TERMS AND CONDITIONS OF THE SETTLEMENT

The Settling Parties have resolved all revenue requirement and cost allocation and rate design issues. The agreed-upon rates reflect a reasonable compromise between the Settling Parties' litigation positions and provide GSWC with a reasonable budget to manage the service area. Thus, to the extent certain issues presented below differed from one or both Settling Parties' litigation positions, it is often a reflection of the Settling Parties' determination that it is reasonable and in the public interest to allow GSWC to prioritize the projects and expenses deemed necessary, within the Party's overall agreed-upon budget and any statutory limitations.

5.1. Revenue Requirement

GSWC's Request:

In its Application, GSWC requested the following:

Revenue Requirement			
TEST YEAR	Escalation Year	Escalation Year	TEST YEAR
2026	2027	2028	2026 ¹
\$229,366	\$602,644	\$879,828	\$310,678

Revenue Requirement is the sum of forecasted Operating Expenses, Depreciation and Amortization, Total Taxes Not on Income, Total Income Taxes and Return on Rate Base, multiplied by the Net to Gross multiplier.²

GSWC used a Rate of Return of 7.93%. This is GSWC's most recently authorized Rate of Return.

Cal Advocates' Position:

Cal Advocates recommended the following:

Revenue Requirement			
TEST YEAR	Escalation Year	Escalation Year	TEST YEAR
2026	2027	2028	2026 ³
\$229,366	\$578,797	\$853,835	\$314,526

¹ Without Rate Cap adopted by the Commission in D.16-09-051. This number is presented for illustrative purposes only.

² Application of Golden State Water Company for an Order Authorizing Rates in its Sutter Pointe Customer Service Area (Application), Section II.1.A.

³ Without Rate Cap adopted by the Commission in D.16-09-051.

Resolution:

The Settling Parties agree to and recommend the Commission adopt the following. The tariff rates under the settlement for TY 2026 will be based on an annual revenue requirement of \$229,366:

Revenue Requirement ⁴			
TEST YEAR	Escalation Year	Escalation Year	TEST YEAR
2026	2027	2028	2026 ⁵
\$229,366	\$596,104	\$872,417	\$330,592

Actual increases for escalation years 2026 and 2027 will be determined at the time the Commission approves advice letters to implement the increases and will be calculated pursuant to the Rate Case Plan methodology adopted in D.04-06-018 and D.07-05-062.

5.1.1. Total Operating Expenses

GSWC's Request:

In its Application, GSWC requested the following:

Total Operating Expense	
TEST YEAR	TEST YEAR
2026	2026 ⁶
\$272,557	273,783.0

Cal Advocates' Position:

Cal Advocates recommended the following:

Total Operating Expense	
TEST YEAR	TEST YEAR
2026	2026 ⁷
\$276,272	\$277,556

⁴ The revenue requirement for 2027 and 2028 are estimates. The approved revenue requirement for Sutter Pointe for 2027 and 2028 will be determined based on GSWC's Attrition Year Advice Letters to implement increases approved by the Commission.

⁵ Without Rate Cap adopted by the Commission in D.16-09-051.

⁶ Without Rate Cap adopted by the Commission in D.16-09-051.

⁷ Without Rate Cap adopted by the Commission in D.16-09-051.

Resolution:

The Settling Parties agree to and recommend the Commission adopt the following:

Total Operating Expense ⁸	
TEST YEAR	TEST YEAR
2026	2026 ⁹
\$291,775	\$293,301

5.1.2. Rate Base

GSWC's Request:

In its Application, GSWC requested the following:

Rate Base		
TEST YEAR	ESCALATION YEAR	TEST YEAR
2026	2027	2026 ¹⁰
\$465,418	\$1,670,603	\$465,418

Cal Advocates' Position:

Cal Advocates recommended the following:

Rate Base		
TEST YEAR	ESCALATION YEAR	TEST YEAR
2026	2027	2026 ¹¹
\$466,365	\$1,671,890	\$466,365

Cost of Land -- Cal Advocates recommended that GSWC explain the recorded cost of land in the next GRC since the data was not available in the

⁸ The operating expense for 2027 and 2028 are estimates. The final approved expenses will be adjusted based on GSWC's annual attrition year advice letter process.

⁹ Without Rate Cap adopted by the Commission in D.16-09-051.

¹⁰ Without Rate Cap adopted by the Commission in D.16-09-051.

¹¹ Without Rate Cap adopted by the Commission in D.16-09-051.

current GRC.¹²

GSWC identified major plant facilities that will be built on two sites by the developers. GSWC plans to record the site in Utility Plant in Service by January 2026. Cal Advocates stated that GSWC should provide testimony and supporting workpapers to explain the land cost and the fair market value determination in the next GRC. Cal Advocates and the Commission will review this matter and make recommendations in the next GRC.¹³ This recommendation does not impact rates in this GRC.

Contingency -- Cal Advocates did not agree with GSWC capital project cost estimates method. Cal Advocates position is: 1) the capital project cost estimate should not include contingency; and 2) cost adders for tasks like project management or inspections must be justified separately rather than included as a percentage of hard costs.¹⁴

“Soft costs” are the costs that will be incurred for the engineering design services, inspection services, project management and contingency.¹⁵ GSWC has historically included soft costs in its forecasted capital project costs as a percentage of the hard costs.¹⁶

Cal Advocates acknowledged that in this GRC, increases to capital projects due to the soft costs would not affect Rate Base. Therefore, no adjustment to GSWC’s Sutter Pointe Rate Base is necessary at this time.¹⁷

Contingency is a placeholder for capital project costs that a utility has not

¹² Cal Advocates Report page 3-5, lines 16 through 17.

¹³ Cal Advocates Report page 3-5, lines 19 through 23.

¹⁴ Cal Advocates Report page 3-2, lines 21 through 24.

¹⁵ Gisler Rebuttal Testimony page 1, lines 20 through 22.

¹⁶ Gisler Rebuttal Testimony page 3, lines 13 through 18.

¹⁷ Cal Advocates Report page 3-2, line 26; page 3-3, lines 1 through 2.

otherwise accounted for in the cost estimate. According to Cal Advocates, the Commission has held that budgeting for contingencies is not necessarily appropriate in a GRC, where the Commission cannot simply remove contingency from the utility's capital project estimates.¹⁸ As such, Cal Advocates recommended the Commission deny contingencies from being included in Capital projects estimates.¹⁹ Conversely, GSWC's position was that contingencies are appropriate and address unexpected and unforeseen costs that arise during the design and construction of a project.²⁰

In this GRC, GSWC forecasted a Rate Base of \$465,418 in 2026, \$1,670,603 in 2027, and \$2,875,788 by 2028. This Rate Base forecast is far below the initial base construction costs of \$25,546,854 in 2026. Thus, the inclusion of contingency does not impact Rate Base in this GRC.

Resolution:

The Settling Parties agree to and recommend that the Commission adopt the following rate base forecasts:

¹⁸ Cal Advocates Report page 3-3, lines 3 through 12.

¹⁹ Cal Advocates Report page 3-2, lines 21.

²⁰ Gisler Rebuttal Testimony page 5, lines 10 through 18.

Rate Base ²¹	
TEST YEAR	ESCALATION YEAR
2026	2027
\$470,412	\$1,677,356

The Settling Parties also agree with the Cal Advocates' recommendation regarding land cost. GSWC agrees to provide testimony and supporting documentation to explain the land cost and basis of fair market value and rate base determination in the next GRC.

For the purposes of this settlement only, the Settling Parties agree not to address or resolve "soft costs" and contingency in this proceeding because neither impacts Rate Base in this GRC. The Settling Parties agree to address these issues in the next GRC. This resolution does not affect rates or terms of service. Additionally, the Settling Parties agree that this resolution is specific to this Settlement and shall not be cited or relied upon in any future proceeding, nor shall it establish any precedent for any other context.

5.1.3. 2026 Summary of Earnings

Table 1 below presents the Test Year 2026 Revenue Requirement Settlement in a modified comparative Summary of Earnings (SOE) format. The modified 2026 SOE chart presents GSWC's application request, Cal Advocates' recommendation, and the agreed-upon settlement amount. The parties agree to the 2026 SOE. For post Test Years 2027 and 2028, the parties agree to escalate the cost by the appropriate escalation factors for Attrition Years 2027 and 2028.

²¹ Settling Parties agree to include the Sutter Pointe CSA within the next Statewide GRC for 2028. However, if not superseded by the next GRC, the revenue requirement including rate base will be calculated in accordance with the RCP methodology as addressed in D.25-01-036.

Table 1

	GSWC Application		Settlement		Cal Advocates Report
	2026		2026		2026
OPERATING REVENUES ²²	229,366.0		229,366.0		229,366.0
OPERATION EXPENSES					
Purchased Water	34,743.0		34,743.0		34,743.0
Purchased Power	8,153.0		7,970.0		7,810.0
Pump Taxes	0.0		0.0		0.0
TOTAL SUPPLY EXPENSES	42,896.0		42,713.0		42,553.0
REVENUE LESS SUPPLY EXPENSES	186,470.0		186,653.0		186,813.0
Chemicals	16,285.0		15,920.0		15,600.0
Postage	0.0		0.0		0.0
Uncollectibles	634.0		634.0		634.0
Operation Labor	59,108.0		59,108.0		59,108.0
Other Operation Expenses	24,349.0		24,349.0		24,349.0
TOTAL OPERATION EXPENSES	143,272.0		142,724.0		142,244.0
Maintenance Labor	19,703.0		19,703.0		19,703.0
Other Maintenance Expenses	2,989.0		2,989.0		2,989.0
TOTAL MAINTENANCE EXPENSE	22,692.0		22,692.0		22,692.0
TOTAL O&M EXCLUDING A&G	165,964.0		165,416.0		164,936.0
Office Supplies & Expenses	2,320.0		9,911.9		7,437.0
Property Insurance	0.0		0.0		0.0
Injuries and Damages	0.0		0.0		0.0
Pension and Benefits	33,262.0		27,740.0		20,975.0
Business Meals	150.0		150.0		150.0
Regulatory Expenses	0.0		0.0		0.0
Outside Services	562.0		562.0		562.0
Miscellaneous	272.0		272.0		272.0

²² Operating revenues for 2026 have been reduced in accordance with the rate cap approved in D.16-09-051. The return on rate base (ROR) in 2026 will not equal the authorized ROR as a result of the rate cap, which is in place for 2026.

	GSWC Application		Settlement		Cal Advocates Report
	2026		2026		2026
Other Maintenance of General Plant	0.0		0.0		0.0
Rent	0.0		17,667.2		11,907.7
A&G Expenses Capitalized	0.0		0.0		0.0
A&G Labor	0.0		0.0		0.0
TOTAL ADMIN & GENERAL EXPENSES	36,566.0		56,303.1		41,303.7
DEPRECIATION AND AMORTIZATION	53,796.0		53,796.0		53,796.0
Property Taxes	7,137.0		7,166.0		7,142.0
Payroll Taxes	6,267.0		6,267.0		6,267.0
Local Taxes	2,827.0		2,827.0		2,827.0
TOTAL TAXES NOT ON INCOME	16,231.0		16,260.0		16,236.0
TOTAL EXPENSE EXCLUDING INCOME TAX	272,557.0		291,775.1		276,271.7
NET OPER REVENUE BEFORE INCOME TAX	(43,191.0)		(62,409.1)		(46,905.7)
State Income Tax	0.0		0.0		0.0
Federal Income Tax	0.0		0.0		0.0
TOTAL INCOME TAXES	0.0		0.0		0.0
TOTAL OPERATING EXPENSES	272,557.0		291,775.1		276,271.7
NET OPERATING REVENUE	(\$43,191.0)		(\$62,409.1)		(\$46,905.7)
RATE BASE	\$465,418.0		\$470,412.0		\$466,365.0
RATE OF RETURN	-9.28%		-13.27%		-10.06%
AUTHORIZED RATE OF RETURN	7.93%		7.93%		7.93%

5.2. Customers

GSWC's Request:

Since this is a new development with no prior history, GSWC relied on the developers for customer growth forecast.²³

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Cal Advocates' Position:

Cal Advocates did not oppose GSWC's Customers forecast.

Resolution:

The Settling Parties agree to GSWC's customers forecast as set forth in the above table.

5.3. Sales Forecast

GSWC's Request:

GSWC forecasted an average usage of 8 centum cubic feet (CcF) per month for residential EDU. The average water consumption of 8 CcF per month was based on an analysis of the expected indoor and outdoor water use for the Sutter Pointe CSA development, which is an age-restricted (55+) community. For parks²⁴ in the Sutter Pointe CSA development, Golden State's estimate was based on seven years of usage for Sonoma Park in Rancho Cordova. Total sales were calculated by multiplying the average usage per customer by the projected number of customers in each class.²⁵

		Customers			Total Sales (CcF)		
Customer Class	Usage Per Customer	2026	2027	2028	2026	2027	2028
AVERAGE GENERAL METERED SERVICE CUSTOMERS							
Residential	96	90	324	732	8,640	31,104	70,272

²³ Linam Direct Testimony page 5, lines 9 through 12.

²⁴ Parks are classified under the Public Authority customer class for establishing rates.

²⁵ Linam Direct Testimony page 5, lines 15 through 25

		Customers			Total Sales (CcF)		
Customer Class	Usage Per Customer	2026	2027	2028	2026	2027	2028
Commercial		0	0	0	0	0	0
Industrial		0	0	0	0	0	0
Public Authorities	7,716	3	6	7	23,149	46,298	54,014
Meter Construction		-	-	-	-	-	-
Total, General Metered Water Service		93	330	739	31,789	77,402	124,286

Cal Advocates' Position:

Cal Advocates did not oppose the Sales forecast.

Resolution:

The Settling Parties agree to GSWC's sales forecast as set forth in the above table.

5.4. Other Revenues

GSWC's Request:

GSWC requested Other Revenues for Returned Check Fees, Disconnection Fees and Private Fire Services Fees. The forecasts for Returned Check Fees, Disconnection Fees were determined by frequency experience in GSWC's Arden Cordova CSA and the customer forecast.²⁶

Private Fire Services forecast was based on GSWC current approved Private Service Tariff and 4-inch private fire service in this filing.²⁷

Cal Advocates' Position:

²⁶ Linam Direct Testimony page 6, lines 18 through 26; Linam Direct Testimony page 7, lines 1 through 3.

²⁷ Linam Direct Testimony page 7, lines 7 through 10.

Cal Advocates did not oppose the forecast.

Resolution:

The Settling Parties agree to GSWC's forecast. See Section 5.1.3 for the Summary of Earnings.

5.5. Supply and Water Loss

GSWC's Request:

GSWC's forecasted Supply volume was estimated by adding the total forecasted sales and the total volume of Water Loss.²⁸ GSWC included Water Loss for Sutter Pointe at 7.0%.²⁹ Water loss reflects the difference between the total amount of water supplied to a system and the amount billed to customers. GSWC's forecasted rate incorporates the expected operations of a new system that will include some water loss resulting from flushing of water lines and inherent characteristics of the system. Also, the small customer base, and thus the relatively small amount of water purchased by customers, will impact the percentage rate.³⁰

Cal Advocates' Position:

Cal Advocates did not agree with GSWC's water loss rate, which it deemed as too high.³¹ Cal Advocates' position was that a new system like Sutter Pointe should have a lower water-loss rate. Based on Sutter Pointe's proximity to GSWC's Arden System, Cal Advocates recommended a water-loss rate of 2.5%, which would be consistent with the water loss percentage from GSWC's Arden system.³²

Resolution:

²⁸ Linam Direct Testimony page 7, lines 22 through 23.

²⁹ Linam Direct Testimony page 8, line 3.

³⁰ Linam Rebuttal Testimony, page 12 lines 6 through 10.

³¹ Cal Advocates Report page 2-1, lines 26 through 27; Cal Advocates Report page 2-2 line 1.

³² Cal Advocates Report page 2-2, lines 15 through 17.

Settling Parties agree to a water-loss rate of 4.6%. This rate is calculated based on the average of 15 GSWC systems with a 7%, or lower, water-loss rate. GSWC O&M expense costs for Purchased Power, Chemical, and Uncollectible are reduced accordingly based on this new water-loss rate.

5.6. Supply Costs

GSWC's Request:

GSWC forecasted expenses for Supply Expenses, including costs incurred acquiring the necessary water supply and the fuel costs associated with the transmission and distribution of the water; these costs may include purchased gas and electricity, water and pumping assessments. GSWC also included a forecast for power expenses and a forecast for availability payments.³³

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.3 for the Summary of Earnings.

5.7. Operation and Maintenance Expenses

GSWC's Request:

GSWC forecasted Chemicals, Uncollectibles, Operation and Maintenance Labor and All Other Operating and Maintenance Expenses.

For Chemicals, GSWC will need to treat the water for arsenic and manganese. GSWC used the arsenic treatment costs for its Robbins' Sacramento Valley well

³³ Linam Direct Testimony page 7, lines 7 through 11.

to calculate a per acre-foot cost to treat the water. The unit cost was then applied to the projected water use at Sutter Pointe to forecast chemical costs for the Sutter Pointe CSA.³⁴

For Uncollectibles, Golden State used a 5-year average of actual Uncollectibles as a percent of revenues for its nearby Arden Cordova CSA, which is 0.276%. GSWC multiplied the forecasted revenues for the Sutter Pointe CSA by 0.276% to determine the projected test year Uncollectible Expense.³⁵

For Operation and Maintenance Labor, GSWC forecasted the Operation Labor Expense by escalating the current mid-point salary for Water Treatment Operating II personnel. Seventy-five percent of the labor was charged to Operations Labor, and the remaining labor was charged to Maintenance Labor.³⁶

For Other Operating Expense, forecasted expenses related to SCADA Telecommunications, Water Quality related Lab Expenses, Security, Basic Supplies and Vehicle Expenses, including depreciation, based on current costs for similar operations at GSWC.³⁷

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.1 for Total Operating Expenses.

³⁴ Linam Direct Testimony page 10, lines 11 through 17.

³⁵ Linam Direct Testimony page 10, lines 20 through 23; Linam Direct Testimony page 11, lines 1 through 3.

³⁶ Linam Direct Testimony page 11, lines 6 through 10.

³⁷ Linam Direct Testimony page 11, lines 12 through 15.

5.8. Administrative and General Expenses

GSWC's Request:

GSWC forecasted expenses for Office Supplies, Pension and Benefits, Business Meals, Outside Services and Miscellaneous Expenses, and Rent.

For Office Supplies, GSWC forecasted cellular service for its employees starting in 2026.

For Rent, GSWC requested an exception from the attrition filing methodology for the rental of a temporary trailer to allow the costs to be included starting in 2027, rather than in 2026.³⁸ See GSWC Special Request 6 at section 6.6.

GSWC's Pension and Benefits forecast was based on GSWC's Arden Cordova CSA's ratio of Pension and Benefits to Labor, as requested in Golden State's current GRC filing A.23-08-010.³⁹

GSWC forecasted Business meals at a minimal amount of \$150.⁴⁰

For Outside Services and Miscellaneous Expenses GSWC's forecast was based on its Arden Cordova CSA's cost per customer in Golden State's most recent company-wide GRC, A.23-08-010.⁴¹

Cal Advocates' Position:

Cal Advocates opposed GSWC's Pension and Benefits forecast. GSWC requested a Pension and Benefits budget of \$33,262. Cal Advocates recommended a reduction to \$20,975.⁴² Cal Advocates excluded the defined

³⁸ Linam Direct Testimony page 13, lines 3 through 11.

³⁹ Linam Direct Testimony page 12, lines 17 through 19.

⁴⁰ Linam Direct Testimony page 12, line 22.

⁴¹ Linam Direct Testimony page 12, lines 26 through 28

⁴² Cal Advocates Report page 2-2, lines 19 through 21

pension portion of the budget forecast from GSWC's request because newly hired employees (for Sutter Pointe) are not eligible for pension.⁴³

Cal Advocates recommended that the Commission adopt a Pension & Benefits forecast of \$20,975 in 2026 for GSWC.⁴⁴

Resolution:

The Settling Parties agree to a Pension and Benefits forecast of \$27,740 for 2026. Rent expense is addressed in Section 6.6. The Settling Parties agree with GSWC's forecast for all other A&G expenses. See Section 5.1.3 for the Summary of Earnings.

5.9. Taxes Not on Income

GSWC's Request:

GSWC's Property taxes forecast methodology involves calculating the effective tax rate using current authorized Ad Valorem and Special Assessments in the Sacramento area. GSWC then applied the effective tax rate to the forecasted Rate Base excluding Working Cash.

Payroll Taxes consist of Federal Insurance Contribution Act ("FICA") tax: 1) Old Age, Survivors, and Disability Insurance ("OASDI") and 2) Hospital Insurance ("Medicare") tax; Federal Unemployment Insurance ("FUI" or "FUTA") tax, and State Unemployment Insurance ("SUI") tax. GSWC used the following rates in its methodology: OASDI at 6.20%, Medicare at 1.45%, FUI at 1.80%, and SUI at 1.60%.⁴⁵

To forecast Local taxes - GSWC calculated a ratio between Arden Cordova's

⁴³ Cal Advocates Report page 2-4, lines 3 through 5

⁴⁴ Cal Advocates Report page 2-4, lines 12 through 13.

⁴⁵ Linam Direct Testimony page 14, lines 25 through 26

historical Gross Revenues and Local Taxes, and then applied the ratio to Sutter Pointe's forecasted Gross Revenues.⁴⁶

Cal Advocates' Position:

Cal Advocates did not oppose the forecast methodologies.

Resolution:

The Settling Parties agree to GSWC's Property Taxes amounts, and Payroll Taxes and local tax rates. See Section 5.1.3 for the Summary of Earnings.

5.10. Utility Plant Additions

GSWC's Request:

GSWC recommended that Sutter Pointe developers initially fund the infrastructure costs. When the infrastructure becomes used and useful, GSWC would reimburse the developers for a portion of the infrastructure through a combination of incremental acquisition payments and refundable advances under Rule 15. Golden State would incrementally acquire a portion of the installed infrastructure on a per connection or EDU basis.

GSWC calculated the number of EDUs in this Application based on expected water demand per acre-foot per year ("AFY") for the development; then the residential factor was set equal to 1.0000 EDU per unit. The remaining EDUs were divided by the remaining water demands for the remaining land uses; the factor derived was then multiplied by the water demand for each Non-residential parcel.⁴⁷

GSWC also forecasted \$93,000 for purchasing new vehicles and tools in 2026.⁴⁸

⁴⁶ Linam Direct Testimony page 15, lines 2 through 5

⁴⁷ Linam Direct Testimony page 20, lines 12 through 21

⁴⁸ Linam Direct Testimony page 21, line 7

GSWC's capital request also included an amount for blanket work orders of \$49.46 per EDU beginning in year 3 (2028) to cover small routine parts and replacements for the water system equipment and/or spares that were not provided by the developers.⁴⁹

GSWC did not forecast any Construction Work in Process ("CWIP"). In this Application, infrastructure was forecasted as Utility Plant in Service.⁵⁰

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base.

⁴⁹ Linam Direct Testimony page 21, lines 10 through 14

⁵⁰ Linam Direct Testimony page 21, lines 18 through 21

5.11. Utility Plant Schedule

GSWC's Request:

GSWC forecasted its utility plant in service for 2026 through 2028 on a detailed cost basis.

GSWC forecasted the following for utility plant in service:

Total Utility Plant in Service		
TEST YEAR	ESCALATION YEAR	ESCALATION YEAR
2026	2027	2028
\$19,106,506	\$39,922,246	\$46,224,669

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base.

5.12. Depreciation Reserve Schedule

GSWC's Request:

GSWC forecasted net depreciation expenses (accumulated depreciation of company-owned properties and amortization of contributed properties, net of retirements and adjustments), which were included in the rate base calculation.

GSWC forecasted the following:

Net Depreciation Expense	
TEST YEAR	ESCALATION YEAR
2026	2027
\$53,796	\$127,663

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base.

5.13. Advances & Contribution Schedules

GSWC's Request:

GSWC's Advances for Construction account represents the amount of money or properties advanced for construction purposes; this consists of the in-tract system, which is the portion of the water infrastructure related to the distribution of drinking water to customers, including mains lesser in diameter than twelve (12) inches, vaults, manholes, water service connections, meters, and fire hydrants.⁵¹

Because Sutter Pointe is a new development, the developers will install all in-tract facilities in accordance with GO 103-A requirements.

For Sutter Pointe, Contributions in Aid of Construction consist of the backbone infrastructure, which refers to the facilities required to deliver water service to Sutter Pointe as a whole (e.g. transmission mains, water treatment plants, water storage tanks, booster stations, groundwater wells and related facilities).⁵²

GSWC is authorized to incrementally acquire a portion of the backbone system at a per connection (EDU) cost of \$2,571.⁵³ This means that as the CSA grows, GSWC will reimburse the Sutter Pointe developers by way of incremental acquisition of water infrastructure according to occupancy, at a rate of \$2,571 per EDU. This is done twice a year. These incremental acquisition payments are

⁵¹ Linam Direct Testimony, page 19, lines 11 through 14

⁵² Linam Direct Testimony page 25, line 28; Linam Direct Testimony page 26, lines 1 through 2.

⁵³ Linam Direct Testimony page 26, lines 20 through 21.

treated as refunds of contributed capital or negative contributions and result in plant funded additions to rate base.⁵⁴

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base

5.14. Weighted Average Rate Base Schedule

GSWC's Request:

GSWC's Weighted Average Depreciated Rate Base reflected investment in utility plant and the working capital necessary to purify and distribute water. Additions to Rate Base included Utility Plant in Service and Working Cash. Deductions from Rate Base included Depreciation, Advances for Construction, and Deferred Taxes.

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base

5.15. Working Cash

GSWC's Request:

GSWC forecast methodology for Allowance for Working Cash complied with Commission's Standard Practice U-16. Because the Sutter Pointe CSA is a new standalone water system with no historical data, such that GSWC was not able to

⁵⁴ Linam Direct Testimony, page 26, lines 20 through 26.

complete a detailed study of the revenue and lag expense days, GSWC used the simplified method⁵⁵ using data from the Functional Summary of Earnings for the Estimated Test Year.⁵⁶

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base.

5.16. Net to Gross Multiplier

GSWC's Request:

The Net to Gross Multiplier is used to increase revenues to offset increases in expenses directly related to revenues, in other words, expenses that go up or down as revenues go up or down. Uncollectibles and Local Taxes are derived as a percentage of revenues. California Franchise Tax and Federal Income Tax are a percentage of taxable income.⁵⁷

Cal Advocates' Position:

Cal Advocates did not oppose the forecasts.

Resolution:

The Settling Parties agree to GSWC's forecasts. See Section 5.1.2 for Rate Base.

5.17. Rate Design

GSWC's Request:

⁵⁵ Linam Direct Testimony page 31, lines 1 through 7.

⁵⁶ Linam Direct Testimony page 31, lines 10 through 11.

⁵⁷ Linam Direct Testimony page 32, lines 9 through 19

GSWC's rate design methodology for Sutter Pointe is a conservation rate design utilizing multiple tiers for residential customers.

Golden State proposed to recover 40% of the revenue requirement from fixed service charges and recover 60% of the revenue requirement in the quantity charges.⁵⁸

The residential rate design proposes two tiers for volumetric rates for residential customers, as reflected in Exhibit F to the Application. The first-tier rate applies to the first eight 100 CcF of usage. The second-tier rate applies to all consumption/usage above the eight CcF level.⁵⁹

For non-residential customers, GSWC proposed a single tier – or uniform – rate for these customers.⁶⁰

GSWC also requested that the Commission authorize the water revenue decoupling mechanism for the Sutter Pointe CSA, or Water Conservation Advancement Plan, that it proposed in A.23-08-010.⁶¹ GSWC recommended that if the Commission denies the request to use the Water Conservation Advancement Plan, it should authorize a "Monterey-style" Water Adjustment Mechanism.⁶² See Special Request 5 below.

Cal Advocates' Position:

Cal Advocates did not oppose the proposed two-tier residential rate design but did not agree with Golden State's requested recovery of 40% of the revenue requirement from fixed service charges and 60% of the revenue requirement in the

⁵⁸ Linam Direct Testimony page 33, lines 5 through 8

⁵⁹ Linam Direct Testimony page 34, lines 3 through 6

⁶⁰ Linam Direct Testimony page 34, lines 8 through 9

⁶¹ Linam Direct Testimony page 34, lines 24 through 27

⁶² Linam Direct Testimony page 35, lines 17 through 21

quantity charges.⁶³ Rather, Cal Advocates recommended the Commission adopt a 30/70 fixed charge versus variable/quantity charge split for recovery of GSWC's revenue requirement.⁶⁴

Resolution:

The Settling Parties reached an agreement and recommend recovery of 40% of the revenue requirement in the fixed meter charge and 60% in the volumetric charges. The Settling Parties agree to GSWC's other proposed rate design components.

6. Special Requests

6.1. Special Request 1. Include Sutter Pointe CSA in GSWC's Next Companywide GRC

GSWC's Request:

D.14-06-051 requires GSWC to file its initial request to establish rates for water service in its Sutter Pointe CSA ratemaking area as a standalone GRC, separate and apart from GSWC's regular company-wide GRC. Special Request 1 requests that the Commission confirm that GSWC is not prevented from including Sutter Pointe in its next company-wide GRC, which will set rates for 2028, 2029 and 2030. If confirmed, the rates set in Golden State's next company-wide GRC will supersede 2028 rates set for Sutter Pointe in this proceeding. D.14-06-051 makes no such order for any future filings beyond the initial filing. D.16-09-051 imposes a 6-year rate cap on Golden State in its South Sutter County Service Area, which goes beyond the rate cycle of the initial filing. However, D.16-09-051 does not tie the rate cap to a stand-alone filing.⁶⁵

Golden State recommended that the Commission make a preliminary ruling on this

⁶³ Cal Advocates Report page 1-1, lines 20 through 22

⁶⁴ Cal Advocates Report page 1-1, lines 20 through 21

⁶⁵ Linam Direct Testimony page 40, lines 9 through 13.

request in the first quarter of 2026, if a final Decision in this filing has not been issued, so that Golden State would have the necessary amount of time to incorporate Sutter Pointe in its 2026 Company Wide GRC filing.⁶⁶

Cal Advocates' Position:

Cal Advocates did not oppose GSWC's Special Request 1.

Resolution:

The Settling Parties recommend the Commission adopt Special Request 1.

6.2. Special Request 2. Authorize Interim Rates for 2025 Prior to the First Test Year

GSWC's Request:

In the event that Sutter Pointe CSA customers require water service prior to 2026, GSWC requested authority to establish interim rates for 2025 based on the rates requested for 2026, and to establish a memorandum account to track any over or under collection that occurs in 2025.⁶⁷

Cal Advocates' Position:

Cal Advocates did not oppose GSWC's Special Request 2.

Resolution:

The Settling Parties recommend the Commission adopt Special Request 2

6.3. Special Request 3. Authorize Tracking of Sutter Pointe CSA Costs in Certain Companywide Balancing and Memorandum Accounts

GSWC's Request:

GSWC requested authority to track costs associated with its Sutter Pointe CSA in

⁶⁶ Linam Direct Testimony page 40, lines 23-26.

⁶⁷ Linam Direct Testimony page 41, lines 2 through 19

certain GSWC pre-approved, company-wide balancing and memorandum accounts where appropriate, including but not limited to, the Customer Assistance Program Balancing Account, Catastrophic Event Memorandum Account, and Public Safety Power Shut-Offs Memorandum Account.⁶⁸

GSWC requested that the following additional memorandum and balancing accounts be extended to cover its Sutter Pointe CSA: (1) Catastrophic Event Memorandum Account (“CEMA”) (and all CEMA sub-accounts); (2) Low-Income Customer Data Sharing Memorandum Account; (3) Contaminant Remediation Memorandum Account; (4) Public Safety Power Shut-Offs Memorandum Account; (5) Polyfluoroalkyl Substances Memorandum Account; (6) Lead and Copper Rule Revisions Memorandum Account; (7) Drinking Water Fees Balancing Account; (8) Water Cost of Capital Mechanism; (9) Pension and Benefits Balancing Account; (10) Customer Assistance Program Balancing Account; and (11) General Ratemaking Area Balancing Account.

Lastly, GSWC requested that all low-income qualifying residential customers of the Sutter Pointe CSA be eligible to participate in the Company’s Customer Assistance Program (“CAP”). The non-CAP residential water rate schedule would include any applicable surcharges consistent with Golden State’s Region 1 CAP program.

Cal Advocates’ Position:

Cal Advocates did not oppose GSWC’s Special Request 3.

Resolution:

The Settling Parties recommend the Commission adopt Special Request 3.

⁶⁸ Linam Direct Testimony page 41, lines 21 through 28; Linam Direct Testimony page 42, lines 1 through 25

6.4. Special Request 4. Review GSWC's Sutter Pointe General Rate Case Memorandum Account and Find that the Costs Incurred are Fair and Reasonable

GSWC's Request:

Included in this GRC is detail regarding GSWC's Sutter Pointe General Rate Case Memorandum Account ("SPGRCMA"). GSWC requested the Commission review and find the costs recorded through April 30, 2024, to be reasonable. GSWC also requested the account remain open until a Decision is issued regarding this Application. GSWC did not request amortization of the account in this proceeding; GSWC requested amortization to be delayed to the next GRC.⁶⁹

Cal Advocates' Position:

Cal Advocates did not agree with this request. Cal Advocates maintained that costs and services associated with this account are ongoing.⁷⁰ Cal Advocates requested the review of SPGRCMA be delayed until the next GRC so that a comprehensive review of reasonableness and amortization of the account can be determined at the same time.⁷¹

Resolution:

The Settling Parties reached agreement to adopt Cal Advocates' recommendation for Special Request 4 to defer the review of the regulatory expenses in the SPGRCMA until the next GRC.

6.5. Special Request 5. Establish a Water Conservation Advancement Plan (WCAP) for the Sutter Pointe CSA

GSWC's Request:

GSWC proposed a conservation rate structure in this application. In GSWC's 2023

⁶⁹ Linam Direct Testimony page 42, lines 27 through 28; Linam Direct Testimony page 43; Linam Direct Testimony page 44, lines 2 through 6

⁷⁰ Cal Advocates Report page 5-2, lines 1 through 9

⁷¹ Cal Advocates Report page 5-2, lines 10 through 15

GRC, Application (A.) 23-08-010, GSWC requested authorization to implement a new revenue decoupling program, the Water Conservation Advancement Plan (“WCAP”). GSWC requested that the Commission apply any findings in A.23-08-010 related to the WCAP, or any alternative mechanisms adopted by the CPUC, to the Sutter Pointe CSA as well.⁷²

Cal Advocates’ Position:

Cal Advocates did not oppose approval of the mechanism adopted by the Commission in A.23-08-010 and its applicability to the Sutter Pointe CSA.

Resolution:

Commission Decision (D.) 25-01-036, which resolved A.23-08-010, requires GSWC to transition from decoupled rates to the Monterey Revenue Adjustment Mechanism and establish an Incremental Cost Balancing Account.⁷³ The Settling Parties agree that these two mechanisms are to be established for the Sutter Pointe CSA.

6.6. Special Request 6. Authorize GSWC to Add Rent and Related Costs of Temporary Trailer to Cost of Service in 2027

GSWC’s Request:

GSWC is planning to rent a temporary trailer to provide support to the Sutter Pointe CSA, commencing in 2027. GSWC requested an exception to the required attrition filing methodology set forth in the Rate Case Plan (“RCP”). GSWC requested to allow the inclusion of additional costs related to the temporary trailer in its 2027 attrition filing. The rental, trash and utility expenses associated with that trailer would begin in 2027, rather than in 2026. GSWC requested to include \$25,835 in Attrition Year 2027 and \$26,363 in Attrition Year 2028 for renting a temporary

⁷² Linam Direct Testimony page 44, lines 8 through 26; Linam Direct Testimony page 45, lines 1 through 4

⁷³ D.25-01-036 at Ordering Paragraph 4

trailer and its related utility expenses.⁷⁴

Cal Advocates' Position:

Cal Advocates did not oppose GSWC's estimated rent and related costs of a temporary trailer.⁷⁵ However, Cal Advocates did not agree with GSWC's methodology for including such expenses in escalation year 2027 because it would deviate from the RCP guidelines for forecasting attrition year expenses. The RCP requires utilities to forecast attrition year expenses by escalating the Test Year expenses.⁷⁶

Cal Advocates recommended the Commission require GSWC to comply with the RCP.⁷⁷ Cal Advocates recommended that Test Year 2026 include \$17,022 for trailer rental fees and related costs and that GSWC escalate the cost by the appropriate escalation factors for Attrition Years 2027 and 2028.⁷⁸

Resolution:

Settling Parties agree to a modified version of Cal Advocates' recommendation. The Settling Parties agree to the methodology presented by Cal Advocates and compliance with the RCP. However, the Settling Parties agree to include \$25,259 of trailer rental fees and related costs in test year 2026, and to escalate the test year costs by the appropriate RCP escalation factor for escalation Years 2027 and 2028. The increased amount in 2026 does not impact the revenue requirement for 2026 due to the rate cap imposed.

⁷⁴ Linam Direct Testimony page 45, lines 6 through 14

⁷⁵ Cal Advocates Report Page 5-2, lines 20 through 21

⁷⁶ Cal Advocates Report Page 5-2, lines 21 through 23

⁷⁷ Cal Advocates Report Page 5-3, line 8

⁷⁸ Cal Advocates Report Page 5-2, lines 3 through 7

7. OTHER AGREED UPON TERMS AND CONDITIONS

7.1. Incorporation of Complete Agreement.

The terms of this Agreement are to be treated as a complete package and not as a collection of separate agreements on discrete issues. The Settling Parties acknowledge that changes, concessions, or compromises by any Settling Party in one section of this Agreement resulted in changes, concessions, or compromises by the Settling Parties in other sections. Pursuant to the provisions of this Agreement, the Settling Parties agree to oppose any modification in each of the terms of this Agreement not agreed to by the Settling Parties. If the Commission does not approve this Agreement without modification, the Settling Parties shall promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties and shall promptly seek Commission approval of the resolution so achieved.

7.2. Regulatory Approval.

The Settling Parties, by signing this Agreement, acknowledge that they support Commission approval of this Agreement and subsequent implementation of all provisions of the Agreement pursuant to a Commission order adopting this Agreement in this proceeding. The Settling Parties shall use their best efforts to obtain Commission approval of the Agreement. The Settling Parties shall jointly request that the Commission approve the Agreement without change, and find the Agreement to be reasonable, consistent with law and in the public interest. Should any Proposed Decision or Alternative Proposed Decision seek a modification of this Settlement (regardless of whether the Settlement has or has not been previously approved by the Commission), the Settling Parties shall thereafter promptly discuss the proposed modification and negotiate in good faith to achieve a resolution acceptable to the Settling Parties and shall promptly seek Commission approval of the resolution so achieved.

7.3. Further Actions.

The Settling Parties acknowledge that this Settlement is subject to approval by the Commission. As soon as practicable after all the Settling Parties have signed the Settlement, the Settling Parties through their respective attorneys will prepare and file the Settlement Approval Motion. The Settling Parties will furnish such additional information, documents, or testimonies as the Commission may require for purposes of granting the Settlement Approval Motion and approving and adopting the Settlement.

7.4. No Personal Liability

None of the Settling Parties, or their respective employees, attorneys, or any other individual representative or agent, assumes any personal liability as a result of the Settling Parties executing this Settlement.

7.5. Non-Severability

The provisions of this Settlement are non-severable. If any of the Settling Parties fails to perform its respective obligations under this Settlement or takes or supports a position contrary to the provisions of this Settlement, the other Settling Parties may regard the Settlement as rescinded and seek appropriate action by the Commission.

7.6. Voluntary and Knowing Acceptance.

Each Settling Party hereto acknowledges and stipulates that it is agreeing to this Settlement freely, voluntarily, and without any fraud, duress, or undue influence by any other Settling Party. Each Settling Party has read and fully understands its rights, privileges, and duties under this Settlement, including its right to discuss this Settlement with its legal counsel, which has been exercised to the extent deemed necessary.

7.7. No Modification.

This Settlement constitutes the entire Settlement among the Settling Parties regarding the matters set forth herein, which may not be altered, amended, or modified in any respect except as deemed necessary herein. All prior settlements, agreements, or other understandings, whether oral or in writing, regarding the matters set forth in this Settlement are expressly waived and have no further force or effect.

7.8. No Reliance.

None of the Settling Parties has relied or presently relies on any statement, promise, or representation by any other Settling Party, whether oral or written, except as specifically set forth in this Settlement. Each Settling Party expressly assumes the risk of any mistake of law or fact made by such Settling Party or its authorized representative.

7.9. Counterparts.

This Settlement may be executed in separate counterparts by the different Settling Parties hereto and all so executed will be binding and have the same effect as if all the Settling Parties had signed one and the same document. All such counterparts will be deemed to be an original and together constitute one and the same Settlement, notwithstanding that the signatures of all the Settling Parties and/or of a Settling Party's attorney or other representative do not appear on the same page of this Settlement or the related Settlement Approval Motion.

7.10. Binding Upon Full Execution

While the agreements and recommendations proposed in this settlement agreement shall become effective only upon adoption by the Commission, this Settlement will become effective and binding on each of the Settling Parties as of the date when it is fully executed. It will also be binding upon each of the Settling Parties' respective successors, subsidiaries, affiliates, representatives, agents,

officers, directors, employees, and personal representatives, whether past, present, or future.

7.11. Commission Adoption Not Precedential.

In accordance with Rule 12.5 of the Commission's Rules of Practice and Procedure, this Agreement is not precedential in any other proceeding before the Commission, except as expressly provided in this Agreement or unless the Commission expressly provides otherwise.

7.12. Enforceability.

The Settling Parties agree and acknowledge that after issuance of a Commission decision approving and adopting this Settlement, the Commission may reassert jurisdiction and reopen this proceeding to enforce the terms and conditions of this Settlement.

7.13. Finality.

Once fully executed by the Settling Parties and adopted and approved by a Commission decision, this Settlement fully and finally settles any and all disputes among and between the Settling Parties in this proceeding, unless otherwise specifically provided in the Settlement.

7.14. No Admission.

Nothing in this Settlement or related negotiations may be construed as an admission of any law or fact by any of the Settling Parties, or as precedential or binding on any of the Settling Parties in any other proceeding, whether before the Commission, in any court, or in any other state or federal administrative agency. Further, unless expressly stated herein this Settlement does not constitute an acknowledgement, admission, or acceptance by any of the Settling Parties regarding any issue of law or fact in this matter, or the validity or invalidity of any particular method, theory, or principle of ratemaking or regulation in this or any other proceeding.

7.15. Authority to Sign.

Each Settling Party who executes this Settlement represents and warrants to each other Settling Party that the individual signing this Settlement and the related Settlement Approval Motion has the legal authority to do so on behalf of the Settling Party.

7.16. Limited Admissibility.

Each Settling Party signing this Settlement agrees and acknowledges that this Settlement will be admissible in any subsequent Commission proceeding for the sole purpose of enforcing the terms and conditions of this Settlement.

7.17. Estoppel or Waiver.

Unless expressly stated herein, the Settling Parties' execution of this Settlement is not intended to provide any of the Settling Parties in any manner a basis of estoppel or waiver in this or any other proceeding.

8. ATTACHMENTS

Each of the Settling Parties has executed this Settlement as of the date appearing below their respective signatures.

IN WITNESS WHEREOF, the Settling Parties have executed this Settlement effective as of March 7, 2025.

GOLDEN STATE WATER COMPANY



Jon Pierotti
Title: Vice President – Regulatory Affairs
Date: March 7, 2025

PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION



Chris Ungson
Title: Deputy Director for Communications
and Water
Date: March 7, 2025

Table 5-A
Page 1 of 2

Schedule No. SP-1-R

SUTTER POINTE CUSTOMER SERVICE AREA

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services.

TERRITORY

Lakeside and vicinity, located in Sutter Pointe County.

RATES

Quantity Rates:	Per ccf
Tier 1 - First 8 ccf or 5,984 gallons	\$3.475
Tier 2 - Over 8 ccf or 5,984 gallons	\$3.996

Service Charge:

For 5/8 x 3/4-inch meter	\$32.01
For 3/4-inch meter	\$48.01
For 1-inch meter	\$80.02
For 1 1/2 inch meter	\$160.04
For 2-inch meter	\$256.06
For 3-inch meter	\$480.11
For 4-inch meter	\$800.18
For 6-inch meter	\$1,600.37
For 8-inch meter	\$2,560.58
For 10-inch meter	\$3,680.84
Fire Sprinkler 1-inch to 5/8x 3/4-inch	\$35.21
Fire Sprinkler 1-inch to 3/4-inch	\$49.62
Fire Sprinkler 1 1/2-inch to 3/4-inch	\$64.98
Fire Sprinkler 2-inch to 3/4-inch	\$71.06
Fire Sprinkler 2-inch to 1-inch	\$101.79

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

SPECIAL CONDITIONS

1 All bills are subject to the reimbursement fee set forth on Schedule No. UF.

Table 5-A
Page 2 of 2

Schedule No. SP-1-NR

SUTTER POINTE CUSTOMER SERVICE AREA

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service except those under Schedule No. SP-1-R-W, Residential Metered residential metered water services.

TERRITORY

Lakeside and vicinity, located in Sutter Pointe County.

RATES

Quantity Rates:	2026
For all water delivered per Ccf	<u>Per ccf</u>
	\$3.475

Service Charge:

For 5/8 x 3/4-inch meter	\$32.01
For 3/4-inch meter	\$48.01
For 1-inch meter	\$80.02
For 1 1/2 inch meter	\$160.04
For 2-inch meter	\$256.06
For 3-inch meter	\$480.11
For 4-inch meter	\$800.18
For 6-inch meter	\$1,600.37
For 8-inch meter	\$2,560.58
For 10-inch meter	\$3,680.84

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

SPECIAL CONDITIONS

1 All bills are subject to the reimbursement fee set forth on Schedule No. UF.

Schedule No. LI
Customer Assistance Program (CAP)
Domestic Service - Single Family Accommodation

APPLICABILITY

Applicable to residential water service for domestic use rendered to low-income households where the customer meets all the Special Conditions of this rate schedule.

TERRITORY

Within all Customer Service Areas served by the Company.

RATES

Discount applied to the regular filed tariff in the applicable Customer Service Area.

CSA	Monthly CAP Credit Amount
Arden Cordova	\$7.00
Sutter Pointe	\$15.00 (N)
Bay Point	\$20.00
Clearlake	\$34.00
Clearlake - Flat	\$25.00
Los Osos	\$34.00
San Juan Oaks	\$14.40
Santa Maria	\$15.00
Simi Valley	\$16.00
Region 2	\$16.00
Region 3	\$16.00

QUALIFIED NON-PROFIT GROUP LIVING FACILITIES RATES

Non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers will receive a flat monthly credit of \$28.26

APPENDIX A
GOLDEN STATE WATER COMPANY
SUMMARY of EARNINGS- TEST YEAR 2026
SUTTER POINTE CSA - A.24-08-011

	<u>AT PRESENT RATES</u> <u>2026</u>	<u>AT ADOPTED</u> <u>2026</u> with Rate Cap
OPERATING REVENUES	0	229,366
OPERATION EXPENSES		
Purchased Water	34,743	34,743
Purchased Power	7,970	7,970
Pump Taxes	0	0
TOTAL SUPPLY EXPENSES	42,713.0	42,713.0
REVENUE LESS SUPPLY EXPENSES	(42,713.0)	186,653.0
Chemicals	15,920	15,920
Allocated GO - Billing and Cash Processing		
Allocated Common Cust. Acct. (Region)	0	0
Allocated Common Cust. Acct. (District)	0	0
Postage	0	0
Uncollectibles	0	634
Operation Labor	59,108	59,108
Other Operation Expenses	24,349	24,349
TOTAL OPERATION EXPENSES	142,090	142,724
Maintenance Labor	19,703	19,703
Other Maintenance Expenses	2,989	2,989
TOTAL MAINTENANCE EXPENSE	22,692.0	22,692.0
TOTAL O&M EXCLUDING A&G	164,782.0	165,416.0
Office Supplies & Expenses	9,912	9,912
Property Insurance	0	0
Injuries and Damages	0	0
Pension and Benefits	27,740	27,740
Business Meals	150	150
Regulatory Expenses	0	0
Outside Services	562	562
Miscellaneous	272	272
Allocated GO - Corporate Support	0	0
Allocated GO - Centralized Operations Support	0	0
Allocated District Office Expenses	0	0
Other Maintenance of General Plant	0	0
Rent	17,667	17,667
A&G Expenses Capitalized	0	0
A&G Labor	0	0
TOTAL ADMIN & GENERAL EXPENSES	56,303	56,303
DEPRECIATION AND AMORTIZATION	53,796	53,796
Property Taxes	7,166	7,166
Payroll Taxes	6,267	6,267
Local Taxes	0	2,827
TOTAL TAXES NOT ON INCOME	13,433	16,260
TOTAL EXPENSE EXCLUDING INCOME TAX	288,314	291,775
NET OPER REVENUE BEFORE INCOME TAX	(288,314)	(62,409)
State Income Tax	0	0
Federal Income Tax	0	0
TOTAL INCOME TAXES	0	0
TOTAL OPERATING EXPENSES	288,314	291,775
NET OPERATING REVENUE	(288,314)	(62,409)
RATE BASE	470,412	470,412
RATE OF RETURN	-61.29%	-13.27%

APPENDIX B
GOLDEN STATE WATER COMPANY
RATEBASE - TEST YEAR 2026
SUTTER POINTE CSA - A.24-08-011

	<u>2026</u>	<u>2027</u>	<u>2028</u>
RATE BASE			
Utility Plant	19,106,506	39,922,246	60,737,986
Utility Plant under Construction	0	0	0
Materials and Supplies	0	0	0
Working Cash	36,100	36,100	36,100
Total Utility Plant	19,142,606	39,958,346	60,774,086
LESS DEDUCTIONS FROM RATE BASE:			
Reserve for Depreciation	334,276.8	680,547.2	1,026,817.6
Advances for Construction	3,026,148.5	7,056,502.3	11,086,856.1
Contributions in Aid of Construction	15,391,390.7	30,722,739.8	46,054,089.0
Accumulated Deferred Federal Income Taxes, Depn. Timing Di	(6,364.9)	(3,158.6)	47.6
Accumulated Deferred Taxes, Taxable Advances for Construct	(126,781.9)	(292,894.2)	(459,006.6)
Unamortized Investment Tax Credits	0.0	0.0	0.0
Deferred Revenues	53,524.4	117,253.8	180,983.2
TOTAL DEDUCTIONS FROM RATE BASE	18,672,193.6	38,280,990.2	57,889,786.9
Append			
Weighted Average Rate Base	470,412	1,677,356	2,884,299

APPENDIX C
GOLDEN STATE WATER COMPANY
COMPUTATION of TAXES ON INCOME AT PRESENT AND PROPOSED RATES
SUTTER POINTE CSA - A.24-08-011
TEST YEAR 2026

	<u>AT PRESENT RATES</u>		<u>AT ADOPTED RATES</u>
	<u>2026</u>		<u>2026</u>
		with Rate Cap	w/o Rate Cap
Operating Revenues	-	229,366	330,592
Deductions:			
Operating Expenses	288,314	291,775	293,301
Less Book Depreciation	(53,796)	(53,796)	(53,796)
Interest	10,316	10,316	10,316
Deductions Excluding Depreciation	244,834	248,295	249,821
State Tax Calculation:			
Taxable Income Before Tax Depreciation and Other Schedule M's	(244,834)	(18,929)	80,771
Add (Deduct):			
Flow Through State Tax Depreciation Adj	(115,146)	(115,146)	(115,146)
Other Schedule M Items	359,980	134,075	34,375
State Taxable Income	-	-	-
Total State Tax @ 8.84%	-	-	-
Federal Tax Calculation:			
Taxable Income before Tax Depreciation and Other Schedule M's	(244,834)	(18,929)	80,771
Add (Deduct):			
Flow Through Federal Tax Depreciation Adj	(115,146)	(115,146)	(115,146)
Prior Year State Tax	-	-	-
Other Schedule M Items	359,980	134,075	34,375
Federal Taxable Income	-	-	-
Federal Tax @ 21.00%	-	-	-
<Excess> Deferred Federal Income Tax	-	-	-
Total Federal & State Tax	-	-	-

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Residential	Schedule SP-1 - R		Schedule SP-1 - NR	
<u>Number of Metered Services</u>	<u>2026</u>	<u>2027</u>	<u>2026</u>	<u>2027</u>
Meter Size			Meter Size	
5/8 x 3/4 -inch meter			5/8 x 3/4 -inch meter	
3/4			3/4	
1			1	
1 1/2			1 1/2	1
2			2	3
Sprinkler 1" to 5/8"			3	1
Sprinkler 1" to 3/4"	90	324	4	1
Sprinkler 1 1/2" to 3/4"			6	
Sprinkler 2 " to 3/4"			8	
Sprinkler 1 1/2 " to 1"			10	
Sprinkler 2" to 1"			3B - Two Size 2	
	-----	-----	-----	-----
TOTAL METERED SERVICES	90	324	3	6
Private Fire	0	0		
	-----	-----		
Total Customers	93	330		
	=====	=====		

APPENDIX D
GOLDEN STATE WATER COMPANY
STIPULATED QUANTITIES - TEST YEAR 2026-2027
SUTTER POINTE CSA - A.24-08-011

WATER CONSUMPTION

<u>Classification</u>	<u>Service Connection</u>		<u>Usage (CCF/CUST)</u>		<u>Consumption (KCcf)</u>	
METERED SERVICES :	<u>2026</u>	<u>2027</u>			<u>2026</u>	<u>2027</u>
Residential	90	324	96.00		8.6	31.1
				Tier 1	7.8	28.0
				Tier 2	0.9	3.1
				Tier 3	0.0	0.0
Commercial	0	0	0.00		0.0	0.0
Industrial	0	0	0.00		0.0	0.0
Public Authority	3	6	7,716.34		23.1	46.3
Irrigation	0	0	0.00		0.0	0.0
Contract	0	0	0.00		0.0	0.0
Other	0	0	0.00		0.0	0.0
Total Metered	93	330			31.8	77.4
PRIVATE FIRE PROTECTION Company Use	0	0	0.0		0.00	0.00
					0	0
TOTAL CONNECTIONS	93	330			31.8	77.4
WATER LOSS	4.60%	4.60%			1.5	3.6
TOTAL WATER PRODUCTION					33.3	81.0
WELLS (KCcf)					33.3	81.0
PURCHASED WATER (KCcf)					0.0	0.0
SURFACE WATER (KCcf)					0.0	0.0

APPENDIX E
GOLDEN STATE WATER COMPANY
SUPPLY EXPENSE SUMMMARY
SUTTER POINTE CSA - A.24-08-011

	2026	2027
Supply Volume		
Wells Production (CCF)	33,252	80,962
Purchased Water (CCF)	-	-
Surface Water (CCF)	-	-
Total Supply (CCF)	33,252	80,962
Total Supply (AF)	76	186
Supply Expenses		
<u>Purchased Power</u>		
Energy Cost - Electric		
Pumping Power Cost per AF	\$104.41	\$106.79
Total Pumping Costs	\$7,970	\$19,848
<u>Purchased Water</u>		
Sutter Pointe readiness to serve \$4.61/EDU	\$7.31	\$7.54
Number of EDU - South Sutter County Service Area	396	715
Total Purchased Water Expense	\$34,743	\$64,706
<u>Chemical Cost</u>		
Ground Water - Chemicals (Arsenic treatment)	\$208.55	\$213.31
Total Chemical Costs	\$15,920	\$39,646
Total Supply Expenses (Excl Chemicals)	\$42,713	\$84,554