

Decision_____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 24-08-011

**DECISION ADOPTING SETTLEMENT AGREEMENT AND AUTHORIZING
INITIAL RATES FOR WATER SERVICE IN SUTTER POINTE CUSTOMER
SERVICE AREA FOR 2026, 2027, AND 2028**

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**DECISION ADOPTING SETTLEMENT AGREEMENT AND
AUTHORIZING INITIAL RATES FOR WATER SERVICE IN SUTTER POINTE
CUSTOMER SERVICE AREA FOR 2026, 2027, AND 2028**

Summary

This decision grants the joint motion by the Public Advocates Office at the California Public Utilities Commission and Golden State Water Company for adoption of a settlement agreement attached to this decision as

~~Appendix~~[Attachment](#) A

This decision also adopts the revenue requirement for test year 2026 and two subsequent years, as follows: \$229,366 for 2026; \$596,104 for 2027, and \$872,417 for 2028.

This proceeding is closed.

1. Procedural Background

On August 26, 2024, Golden State Water Company (GSW) filed Application (A.) 24-08-011 for an order authorizing initial rates for water service in its Sutter Pointe Customer Service Area for the years 2026, 2027, and 2028.

On September 25, 2024, the Public Advocates Office at the California Public Utilities Commission (Commission) filed a Protest to the Application.

On October 7, 2024, GSW filed a Reply to Protest.

The Commission held a telephonic prehearing conference on October 29, 2024, to determine the schedule and scope of the proceeding.

On December 13, 2024, Commissioner Houck issued Assigned Commissioner's Scoping Memo and Ruling (Scoping Ruling or Scoping Memo).

On January 15, 2025, GSW filed a Settlement Status Report that stated GSW and the Public Advocates Office reached a settlement on all disputed issues in the proceeding and requested the cancellation of evidentiary hearing.

On February 14, 2025, the assigned Administrative Law Judge (ALJ) issued a Ruling Setting a Deadline for Settlement Agreement.

On March 7, 2025, GSW and the Public Advocates Office filed a Joint Motion for Adoption of Settlement Agreement.

On June 19, 2025, the ALJ issued a ruling directing the filing of additional information. On June 24, 2025, the Settling Parties filed a Joint Response to the ALJ Ruling (Joint Response).

This proceeding was submitted on June 24, 2025.

2. Issues Before the Commission

The Settlement Agreement in this proceeding resolves all issues presented for Commission consideration. The issues are as follows, numbered according to order presented in the Scoping Ruling:

1. Whether Golden State Water's proposed initial rate revenues for 2026, 2027, and 2028 are just and reasonable, including:
 - a. Whether Golden State Water's estimates for its O&M and A&G expenses are just and reasonable;
 - b. Whether Golden State Water's estimates of rate base are just and reasonable;
 - c. Whether Golden State Water's proposed additions to its plant budgets are accurate, just, and reasonable;
 - d. Whether Golden State Water's proposed sales forecasts and rate designs are just and reasonable.
2. Whether Golden State Water's customer service and safety programs are adequately designed to address customer needs;
3. Whether Golden State Water's Application complies with all statutory and regulatory requirements;
4. Special Request 1: Whether Golden State's request to include Sutter Pointe CSA in its next Companywide

General Rate Case (GRC) is reasonable and in the public interest;

5. Special Request 2: Whether Golden State's request for interim rates for 2025, prior to Test Year 2026, and authority to establish a memorandum account to track any over or under-collection that may occur in 2025 based on final rates approved for 2026 through a preliminary ruling is reasonable and in the public interest;
6. Special Request 3: Whether Golden State's request to seek authorization to track costs related to Sutter Pointe CSA in certain company-wide balancing and memorandum accounts, such as the Customer Assistance Program Balancing Account, Catastrophic Event Memorandum Account, and Public Safety Power Shut-Offs Memorandum Account, is reasonable;
7. Special Request 4: Whether Golden State's request that the Commission review the costs recorded as of April 30, 2024, in the previously approved SPGRCMA is reasonable, and whether the memo account should remain open until a final decision in the current GRC is issued;
8. Special Request 5: Whether Golden State's request to apply any findings in its current GRC Application (A.)23-08-010 with regards to its proposed new revenue decoupling program, the Water Conservation Advancement Plan (WCAP), is reasonable; and
9. Special Request 6: Whether Golden State's request for an exception to the required attrition filing methodology in the Rate Case Plan and inclusion of rent and related costs of a temporary trailer in the attrition year 2027 is reasonable.

3. Settlement Agreement

On March 7, 2025, GSW and the Public Advocates Office filed a Joint Motion for Adoption of Settlement Agreement (Settlement Agreement). As noted in Section 2 of the instant decision, the Settlement Agreement resolves all contested issues in this proceeding. Section 3 is dedicated to presenting a

summary of the specific items in the Settlement Agreement consistent with the order in which the issues were presented in the Scoping Ruling.

3.1. Reasonableness of Initial Rates

Revenue Requirement is the sum of forecasted Operating Expenses, Depreciation and Amortization, Total Taxes Not on Income, Total Income Taxes and Return on Base, multiplied by the Net to Gross multiplier. In the instant application, GSW requested \$229,366 for 2026, \$602,644 for 2027, and \$879,828 for 2028. GSW used a Rate of Return of 7.93%, which it reports as its most recently authorized Rate of Return.¹

The Public Advocates Office recommended the following Revenue Requirement: \$229,366 for 2026; \$578,797 for 2027; and \$853,835 for 2028.

The Settling Parties agreed to recommend the Commission adopt the following figures: \$229,366 for 2026; \$596, 104 for 2027; and \$872,417 for 2028. The escalation year amounts fall between the initial recommendations of the two parties. The Settling Parties state that the actual increases for escalation years 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.² A more detailed breakdown of the 2026 Test Year Revenue Requirement can be found in Section 5.1.3 of the Settlement Agreement.

¹ See Section 5.1 of Settlement Agreement.

² See Section 5.1 of Settlement Agreement.

3.1.1. Reasonableness of Estimates for Operations & Maintenance and Administrative & General Expenses

For Total Operating Expenses, GSW requests \$272,557 for 2026. The Public Advocates Office recommended \$276,272 for 2026. The Settling Parties agreed to \$291,775 for 2026.³

GSW's forecasted Supply volume was estimated by adding the total forecasted sales and the total volume of Water Loss.⁴ GSW forecasted Water Loss for Sutter Pointe at 7.0%. The Public Advocates Office argued that Sutter Pointe, being a new system, should have a lower water loss rate. The Public Advocates Office recommended a water loss rate of 2.5%, which would be consistent with the nearby water loss percentage from GSW's Arden system. The Settling Parties agreed to a water-loss rate of 4.6%. This rate is calculated based on the average of 15 GSW systems with a 7% or lower water loss rate. GSW's Operations & Maintenance (O&M) expense costs for Purchased Power, Chemical, and Uncollectible are reduced accordingly based on this new water-loss rate.⁵

GSW's forecasted expenses for Supply Expenses included costs incurred acquiring the necessary water supply and the fuel costs associated with the transmission and distribution of the water. GSW also included a forecast for power expenses and a forecast for availability payments. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.⁶

³ See Section 5.1.1 of the Settlement Agreement.

⁴ Water loss is the difference between the total amount of water supplied to a system and the amount billed to customers. Some water loss results from flusing of water lines and inherent characteristics of the system.

⁵ See Section 5.5 of the Settlement Agreement.

⁶ See Section 5.6 of the Settlement Agreement.

For O&M Expenses, GSW forecasted Chemicals, Uncollectibles, Operation and Maintenance Labor, and All Other Operating and Maintenance Expenses. The Public Advocates Office did not oppose GSW's forecasts. The Settling Parties agreed to GSW's forecasts.⁷

For Administrative and General (A&G) Expenses, GSW forecasted expenses for Office Supplies, Pension and Benefits, Business Meals, Outside Services and Miscellaneous Expenses, and Rent. For Pension and Benefits, GSW forecasted \$33,262. The Public Advocates Office opposed this request and recommended \$20,974. The Settling Parties agreed to a Pension and Benefits forecast of \$27,740 for 2026. The Settling Parties agreed to GSW's forecast for all other A&G expenses.⁸

3.1.2. Reasonableness of GSW's Rate Base Estimates

GSW's rate base estimates included costs related to utility plant additions, utility plant schedule, depreciation reserve schedule, advances and contribution schedules, weighted average rate base schedule, and working cash.⁹ Each is discussed briefly below.

For utility plant additions, GSW recommended that Sutter Pointe developer initially fund the infrastructure costs, with GSW reimbursing developers for a portion of the infrastructure through incremental acquisition payments and refundable advances once the infrastructure becomes used and useful. GSW calculated the number of Equivalent Dwelling Units (EDUs) in the instant application based on expected water demand per acre-foot per year

⁷ See Section 5.7 of the Settlement Agreement.

⁸ See Section 5.8 of the Settlement Agreement.

⁹ See Sections 5.10 through 5.15 of the Settlement Agreement.

(AFY) for the development. GSW also forecasted \$93,000 for new vehicles and tools in 2026. GSW's capital request included an amount for blanket work orders of \$49.46 per EDU beginning in 2028 to cover small routine parts and replacements for the water system equipment and/or spares that were not provided by the developers. GSW did not forecast any Construction Work in Progress (CWIP). The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts for utility plant additions.¹⁰

GSW forecasted its utility plant in service for 2026 through 2028 on a detailed cost basis. GSW's forecast was \$19,106,506 for 2026, \$39,922,246 for 2027, and \$46,224,669 for 2028. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.¹¹

GSW forecasted net depreciation expenses¹² as \$53,796 for 2026 and \$127,663 for 2027. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.¹³

For Advances & Contribution Schedules, GSW states that the Advances for Construction account represents the amount of money or properties advanced for construction purposes, including the portion of the water infrastructure related to the distribution of drinking water to customers. GSW states that as the Customer Service Area (CSA) grows, GSW will reimburse developers by way of incremental acquisition of water infrastructure according to occupancy at a rate of \$2,571 per EDU twice a year. These incremental acquisition payments are

¹⁰ See Section 5.10 of the Settlement Agreement.

¹¹ See Section 5.11 of the Settlement Agreement.

¹² Net depreciation expenses consist of accumulated depreciation of company-owned properties and amortization of contributed properties and the net of retirements and adjustments.

¹³ See Section 5.12 of the Settlement Agreement.

treated as refunds of contributed capital or negative contributions and result in plant funded additions to rate base. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.¹⁴

GSW'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. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.¹⁵

GSW's states that its forecast methodology for Allowance for Working Cash complied with the Commission's Standard Practice U-16. GSW states that because Sutter Pointe CSA is a new, standalone water system with no historical data, it used the simplified method, which entails using data from the Functional Summary of Earnings for the Estimated Test Year. The Public Advocates Office did not oppose the forecasts. The Settling Parties agreed to GSW's forecasts.¹⁶

GSW's overall request for rate base was \$465,418 for 2026 and \$1,670,603 for 2027. The Public Advocates Office recommended \$466,365 for 2026 and \$1,671,890 for 2027. The Settling Parties agreed to \$470,412 for 2026 and \$1,677,356 for 2027. The Settling Parties also note that they agreed to include the Sutter Pointe CSA within the next GSW Statewide GRC for 2028, with the caveat that if it is not superseded by the next GRC, the revenue requirement including

¹⁴ See Section 5.13 of the Settlement Agreement.

¹⁵ See Section 5.14 of the Settlement Agreement.

¹⁶ See Section 5.15 of the Settlement Agreement.

rate base will be calculated in accordance with the Rate Case Plan (RCP) methodology as addressed in D.25-01-036.¹⁷

3.1.3. Reasonableness of GSW's Sales Forecasts and Rate Designs

GSW forecasted an average of 8 centum cubic feet (CCF) per month for residential EDU. The average water consumption figure was based on an analysis of expected indoor and outdoor water use in the CSA, given various factors such as it being an age-restricted (55+) community. For parks in the CSA, GSW's estimate was based on seven years of usage for a park in the greater Sacramento area.

The Public Advocates Office did not oppose GSW's sales forecast.

GSW's rate design methodology for Sutter Pointe utilizes multiple tiers for residential customers. GSW proposed recovering 40 percent of the revenue requirement from fixed service charges and 60 percent from quantity charges.

The Public Advocates Office did not oppose the two-tier residential rate design but argued in favor of 30 percent of revenue requirement from fixed charges and 70 percent from quantity charges.

The Settling Parties agreed to GSW's proposal of 40 percent recovery of revenue requirement from fixed charges and 60 percent from volumetric charges, as well as GSW's other proposed rate design components.¹⁸

3.2. Customer Service and Safety Programs

The Settling Parties note in the Joint Response that the same customer service and safety programs that apply to GSW's other service areas (as reviewed

¹⁷ See Section 5.1.2 of the Settlement Agreement.

¹⁸ See Sections 5.1 and 5.17 of the Settlement Agreement.

in GSW's routine General Rate Cases) will also apply to the new Sutter Pointe CSA. Therefore, the Settling Parties agree that this item is satisfied.¹⁹

3.3. Statutory and Regulatory Requirements

This issue was proposed in the Public Advocates Office's protest to the Application. Despite its inclusion in the Scoping Ruling, the Joint Response to the ALJ Ruling notes that the Public Advocates Office "did not challenge in its direct testimony whether Golden State's Application complies with all statutory and regulatory requirements."²⁰ Therefore, the issue was not disputed and is uncontested.

3.4. Special Request 1: Inclusion of Sutter Pointe CSA in Companywide GRC

The Commission requires GSW to file its request to establish initial rates for water service in Sutter Pointe CSA ratemaking as a standalone GRC, separate from GSW's company-wide GRC. GSW seeks Commission confirmation that it may include Sutter Pointe in its next company-wide GRC, which will set rates for 2028, 2029, and 2030. If this request is granted, GSW states that it intends to have the company-wide rates for 2028 supersede those set for Sutter Pointe as part of this proceeding. This request was not opposed by the Public Advocates Office.²¹

Including a new customer service area in its companywide GRC is more efficient and can allow for a comprehensive review as part of its general ratemaking cycle. The Settling Parties recommend the Commission adopt Special Request 1.

¹⁹ See Joint Reply at 3.

²⁰ See Joint Response at 3.

²¹ See Settlement Agreement at 29-30.

3.5. Special Request 2: Interim Rates Request

The Sutter Pointe CSA did not have any customers at the time of the filing of the instant application. GSW requests authority to establish interim rates for 2025 based on the rates requested for 2026, along with a memorandum account to track any over or under collection that occurs in 2025 should Sutter Pointe customers require water service prior to 2026. The Public Advocates Office did not oppose GSW's Special Request 2. The Settling Parties recommend the Commission adopt Special Request 2.²²

3.6. Special Request 3: Request to Track Costs Related to Sutter Pointe CSA in Balancing and Memorandum Accounts

GSW has pre-existing authority, granted by the Commission, to track costs in various company-wide balancing and memorandum accounts. In Special Request 3, GSW seeks authority to, where appropriate, track costs associated with its Sutter Pointe CSA in the relevant balancing and memorandum accounts. GSW lists various memorandum and balancing accounts as examples. GSW also requests that all low-income residential customers in its Sutter Pointe CSA be eligible to participate in its Customer Assistance Program (CAP). The Public Advocates Office does not oppose this request. The Settling Parties recommend the Commission adopt Special Request 3.²³

3.7. Special Request 4: Commission Review of SPGRCMA Costs and Status of Memo Account

GSW is requesting the Commission review its Sutter Pointe General Rate Case Memorandum Account (SPGRCMA), recorded through April 30 2024, and find those costs to be reasonable. GSW also requests the account remain open

²² See Settlement Agreement at 30.

²³ See Settlement Agreement at 30-31.

until a decision is issued resolving the instant application is issued. GSW did not request amortization of the account in this proceeding, and instead requests amortization be delayed to the next GRC.

The Public Advocates Office opposes this request, arguing costs and services associated with this account are ongoing. The Public Advocates Office recommends Commission review of the costs recorded in 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 Settling Parties agreed to adopt the Public Advocates Office's position on this issue, deferring review of the regulatory expenses in the SPGRCMA until the next GRC.²⁴

**3.8. Special Request 5: Applicability of Findings
From D.25-01-036**

At the time of the filing of the instant application, GSW's company-wide GRC, A.23-08-010, was still under Commission review. In A.23-08-010, GSW requested authority to implement a revenue decoupling program. In Special Request 5, GSW requests that the Commission apply any findings in A.23-08-010 related to its revenue decoupling program or alternative mechanisms adopted by the CPUC to its Sutter Pointe CSA as well.

The Public Advocates Office does not oppose this request.

Commission D.25-01-036, which resolved A.23-08-010, requires GSW to transition from decoupled rates to the Monterey Revenue Adjustment Mechanism and establish an Incremental Cost Balancing Account. The Settling

²⁴ See Settlement Agreement at 32.

Parties agree that these two mechanisms are to be established for the Sutter Pointe CSA.²⁵

3.9. Special Request 6: Exception to Attrition Filing Methodology and Inclusion of Costs in Attrition Year 2027

GSW states it plans to rent a temporary trailer to provide support to the Sutter Pointe CSA, beginning in 2027. GSW requested an exemption to the required attrition filing methodology of the Rate Case Plan (RCP). Specifically, GSW requests authority to include additional costs related to the temporary trailer in its 2027 attrition filing.

The Public Advocates Office did not contest the costs GSW presented for this request, but opposed GSW's request to deviate from RCP guidelines for forecasting attrition year expenses. The Public Advocates Office recommended the Commission require GSW to comply with the RCP and include trailer rental fee and related costs in its Test Year 2026 costs and escalate by the appropriate factors for Attrition Years 2027 and 2028.

The Settling Parties agreed to a modified version of the Public Advocates Office's recommendation. Specifically, the Settling Parties agree to the methodology recommended by the Public Advocates Office and adherence to the RCP, however the Settling Parties agree to include \$25,259 of trailer rental fees and related costs in test year 2026. This amount would be escalated by the appropriate RCP escalation factors for 2027 and 2028.²⁶

²⁵ See Settlement Agreement at 32-33.

²⁶ See Settlement Agreement at 33-34.

4. Burdens on the Parties and Standard of Review

As joint moving parties, the Settling Parties jointly bear the burden of establishing that the Settlement Agreement (attached to this decision as ~~Appendix~~[Attachment](#) A) meets the criteria set forth in Rule 12.1(d).²⁷

GSW bears the burden of production and burden of proof with respect to the contested Special Requests and must show by a preponderance of all the evidence in the record that its positions should be adopted by the Commission.

We will proceed with a discussion regarding whether the Settlement Agreement meets the specified criteria for approval pursuant to Rule 12.1(d) of the Commission's Rules of Practice and Procedure (Rule).

5. Approval of the Proposed Settlement

When considering whether to adopt a settlement agreement, Rule 12.1(d) requires that the settlement: (i) be reasonable in light of the record; (ii) be consistent with the law; and (iii) in the public interest. We evaluate the Settlement on all three criteria, following the summary of the settled issues presented in Section 3 of the instant decision.

We find that the Settlement Agreement is reasonable in light of the whole record. We recognize that the Settling Parties carefully considered the facts relevant to each issue. We have weighed each party's argument, noting that each party reasonably and mutually compromised on the issues resulting in compromises in the Settlement Agreement that substantially lessen the burden on ratepayers relative to GSW's initially requested rates in the instant application. In turn, the Settlement Agreement will keep the rate burden as low

²⁷ Rule 12.1(d) states "[t]he 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. The Commission may reject any proposed settlement for failure to disclose the information required pursuant to subsection (a) of this rule."

as practicable while allowing GSW to recover a reasonable amount of increased costs and while continuing to provide safe and clean water service in an efficient and cost-effective manner. We therefore find the terms of the Settlement Agreement mutually beneficial to both GSW and ratepayers.

We also find that the Settlement Agreement is consistent with the law and Commission decisions. The Settling Parties complied with the provisions of Rule 12. Furthermore, we find that there are no terms within the Settlement Agreement that would bind the Commission in the future or violate existing law. The Settling Parties are aware of no statutory provision or prior Commission decision that would be contravened or compromised by the Settlement Agreement. Further, the Settling Parties entered into the Settlement Agreement voluntarily and upon review and advice by their respective legal counsels and technical staff. Finally, we find that the Settlement Agreement is in the public interest for the following reasons:

1. The Settling Parties represent both sides of this case: the utility and the ratepayers and the Settlement Agreement balances those interests at stake;
2. The Settlement Agreement serves the public interest by resolving competing concerns in a collaborative and cooperative manner;
3. The Settlement Agreement minimizes the costs of evidentiary hearings and resources of the Commission, thus saving public and ratepayer funds to litigate the dispute;
4. The Settlement Agreement will provide efficient resolution of the contested issues, thus saving unnecessary litigation expenses and Commission resources;
5. The Settlement Agreement is consistent with the Commission's long-standing policy favoring the settlement of disputes to avoid costly and protracted litigation; and

6. The Settlement Agreement ensures that customers have access to an affordable, safe, and reliable water supply system.

Adoption of the Settlement is binding on all parties to the proceeding. However, pursuant to Rule 12.5, the Settlement Agreement does not bind or otherwise impose a precedent in this or any future proceeding. GSW should not presume that the Commission would deem the outcome adopted in this decision to automatically be reasonable in any subsequent application. Hence, future applications filed by GSW should fully justify every request and ratemaking proposal, as required by statute and Commission rule, and without reference to, or reliance on, the adoption of the Settlement Agreement.

6. Public Participation Hearings

The Commission did not hold Public Participation Hearings in this proceeding because this is a new customer service area, and there are no customers in the Sutter Pointe service area at this time.

7. ~~Comments on Proposed Decision~~ Exemption from Comment Period

~~The proposed decision of ALJ Amin Nojan in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.~~

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to § 11(g)(2) and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

8. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Amin Nojan is the ALJ for this proceeding.

Findings of Fact

1. On August 26, 2024, Golden State Water Company filed A.24-08-011 for authorization to establish initial rates for water service in the Sutter Pointe Customer Service Area for 2026, 2027, and 2028.

2. On March 7, 2025, Golden State Water Company and the Public Advocates Office filed Joint Motion for Adoption of Settlement Agreement.

3. The proposed Settlement Agreement resolves all issues identified in this proceeding's Scoping Ruling.

4. The terms of the Settlement Agreement are mutually beneficial to both GSW and to ratepayers.

5. The Settling Parties adequately reflect and balance diverse interests.

6. The Settlement Agreement serves the public interest by resolving competing interests in a collaborative and cooperative manner.

7. The Settlement Agreement is consistent with the Commission's long-standing policy favoring the settlement of disputes to avoid costly and protracted litigation.

8. There are no terms within the Settlement Agreement that would bind the Commission in the future or that would violate existing law.

9. The Settling Parties consist of the utility and an entity dedicated to advocating customer interests.

10. The inclusion of the Sutter Pointe Customer Service Area in Golden State Water Company's future company-wide general rate case applications is more efficient of Commission and party resources and can allow for a comprehensive review as part of Golden State Water Company's general ratemaking cycle.

Conclusions of Law

1. Golden State Water Company should be authorized initial rates for the Sutter Pointe Customer Service Area as follows: \$229,366 for 2026; \$596,104 for 2027; and \$872,417 for 2028.

2. The Joint Motion for Adoption of Settlement Agreement, filed March 7, 2025, should be granted.

3. The Settlement Agreement (attached to this decision as ~~Appendix~~[Attachment](#) A) is reasonable in light of the whole record, consistent with the law, and in the public interest, and should be approved and adopted.

4. The Settling Parties complied with the provisions of Rule 12.

5. Pursuant to Rule 12.5, the Settlement Agreement does not bind or otherwise impose a precedent in this or any future proceeding.

6. [Golden State Water Company should be authorized to include the Sutter Pointe Customer Service Area in its next company-wide general rate case application.](#)

7. ~~6.~~ All rulings issued by the assigned Commissioner and ALJ should be affirmed herein; and all motions not specifically addressed herein or previously addressed by the assigned Commissioner or ALJ should be denied.

8. ~~7.~~ This proceeding should be closed.

O R D E R**IT IS ORDERED** that:

1. Golden State Water Company is authorized to establish rates for the Sutter Pointe Customer Service Area as follows: \$229,366 for 2026; \$596,104 for 2027; and \$872,417 for 2028.

2. The Joint Motion for Adoption of Settlement Agreement, filed March 7, 2025, is granted, and the Settlement Agreement attached to this decision as ~~Appendix~~Attachment A is approved and adopted.

3. For escalation years 2027 and 2028, Golden State Water Company shall file Tier 1 advice letters, in conformance with General Order 96-B and the Revised Water Rate Case Plan (Decision 07-05-062), proposing new revenue requirements and corresponding revised tariff schedules in each rate district and rate area in this proceeding, and in conformance with the Settlement Agreement and adopted estimated rates for each rate area as illustrated in the attached Appendices. This filing shall be subject to approval by the California Public Utilities Commission's Water Division.

4. Golden State Water Company may include the Sutter Pointe Customer Service Area in its next company-wide general rate case, which will set rates for 2028, 2029, and 2030. If it elects to do so, the rates set for 2028 in that general rate case will supersede the rates set for the Sutter Pointe customer service area in this proceeding.

5. ~~4.~~ All rulings issued by the assigned Commissioner and Administrative Law Judge (ALJ) are affirmed; and all motions not specifically addressed herein or previously denied by the assigned Commissioner or ALJ are denied.

6. ~~5.~~ Application 24-08-011 is closed.

This order is effective today.

Dated _____, 2025, at ~~San Francisco~~Sacramento, California.

ATTACHMENT A

Summary report: Litera Compare for Word 11.6.0.100 Document comparison done on 10/27/2025 9:06:25 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: A.24-08-011 PD AN4 10-9 Agenda (NON).docx	
Modified filename: Rev.1 A.24-08-011 PD AN4 10-30 Agenda (NON).docx	
Changes:	
<u>Add</u>	26
Delete	15
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	41