

Docket : A.23-08-010
Exhibit Number : Cal Adv - _____
Commissioner : Genevieve Shiroma
Admin. Law Judge : Amin Nojan
Public Advocates : Mehboob Aslam,
witness : Sari Ibrahim, and
Edward Scher



EXECUTIVE SUMMARY AND RESULTS OF OPERATIONS TABLES

Los Angeles, California
February 27, 2024

MEMORANDUM

1 The Public Advocates Office at the California Public Utilities Commission (“Cal
2 Advocates”) has examined requests and data presented by Golden State Water Company
3 (“GSWC”) in Application (“A.”) 23-08-010 (“Application”). This testimony provides
4 the California Public Utilities Commission (“Commission”) with recommendations that
5 represent the interests of ratepayers for safe and reliable service at the lowest cost. This
6 Executive Summary is prepared by Mehboob Aslam except the Special Request
7 #5(Consolidation of Arden Cordova and Clearlake for Ratemaking Purposes) which is
8 prepared by Edward Scher, and the Results of Operations Tables are prepared by Sari
9 Ibrahim. Mehboob Aslam is Cal Advocates’ project lead for this proceeding. Victor
10 Chan is the oversight supervisor, and Crystal Yu and Brett Plamer are legal counsel.

11 Cal Advocates has made every effort to comprehensively review, analyze, and
12 provide the Commission with recommendations on each ratemaking and policy aspect of
13 the requests presented in the Application. The absence from Cal Advocates’ testimony of
14 any particular issue does not constitute its endorsement or acceptance of the underlying
15 request, or of the methodology or policy position supporting the request.

16

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EXECUTIVE SUMMARY

1 In the instant GRC application, GSWC requests an increase in rates by
2 \$87,060,700 or 22.95% in the Test Year (TY) 2025, by \$20,699,200 or 4.42% in the
3 Escalation Year 2026, and by \$22,408,200 or 4.57% in the Escalation Year 2027. GSWC
4 identifies various reasons for this rate increase, including increasing rate base, General
5 Office (G.O.) allocations, pension and benefits, purchase power, purchase water, and
6 depreciation, etc. By comparison, Cal Advocates recommends rate increases by
7 \$22,865,800 or 5.86% in the Test Year 2025, by \$4,445,800 or 1.07% in the Escalation
8 2026, and by \$4,834,300 or 1.15% in the Escalation Year 2027. This Executive
9 Summary provides an overview of Cal Advocates' rationale and its recommendations.

10 **A. Comparison of GSWC's Proposed Revenue Increases and** 11 **Cal Advocates' Recommendations**

12 The following Table ES-1 compares GSWC's company-wide proposed
13 increases in revenue with Cal Advocates' recommendation for each of the three
14 years covered in this proceeding (2025-2027). The difference in increased revenue
15 reflects the differences between GSWC's and Cal Advocates' proposed capital
16 spending and expense budgets. The percentages shown reflect the resulting
17 changes in average system rates.

18 **Table ES-1: Proposed Increase in Revenue Comparison**

Year	GSWC		Cal Advocates	
	Increased Revenue	Percentage Change	Increased Revenue	Percentage Change
2025	\$87,060,700	22.95%	\$22,865,800	5.86%
2026	\$20,699,200	4.42%	\$4,445,800	1.07%
2027	\$22,408,200	4.57%	\$4,834,300	1.15%

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1 The following Table ES-2 shows GSWC’s proposed increases in revenue across
 2 its various ratemaking areas. Table ES-3 shows the revenue increases recommended by
 3 Cal Advocates:

4

5 **Table ES-2: Details of GSWC’s Proposed Revenue Increase across RMAs**

	2025	2025	2026	2026	2027	2027
RMA	\$	%	\$	%	\$	%
Arden Cordova	3,545.0	21.13%	1,375.3	6.66%	1,487.7	6.64%
Bay Point	590.0	8.10%	329.2	4.17%	360.3	4.38%
Clearlake	649.8	22.64%	316.8	8.91%	357.0	9.17%
Los Osos	1,096.4	23.29%	325.0	5.60%	346.2	5.65%
Santa Maria	5,092.89	32.05%	1,338.4	6.33%	1,438.8	6.36%
Simi Valley	2,529.7	16.35%	804.0	4.44%	905.6	4.77%
Region-II	34,634.9	21.28%	8,351.2	4.22%	8,962.5	4.34%
Region-III	38,917.6	25.33%	7,867.9	4.07%	8,560.5	4.25%
Sum of RMAs	87,056.3	22.95%	20,707.7	4.42%	22,418.5	4.57%
Northern Consolidation	4,199.1	21.39%	1,683.6	6.95%	1,834.2	6.97%
Total	87,060.7	22.95%	20,699.2	4.42%	22,408.2	4.57%

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7 **Table ES-3: Details of Cal Advocates’ Recommended Revenue Increases across**
 8 **RMAs**

	2025	2025	2026	2026	2027	2027
RMA	\$	%	\$	%	\$	%
Arden Cordova (RMA)	(173.0)	-0.95%	183.3	1.00%	212.5	1.13%
Bay Point (RMA)	162.5	2.23%	84.2	1.13%	97.3	1.29%
Clearlake (RMA)	374.4	12.94%	31.8	0.97%	60.0	1.79%
Los Osos (RMA)	218.2	4.51%	82.7	1.64%	90.0	1.75%
Santa Maria (RMA)	1,800.83	10.66%	212.1	1.13%	251.1	1.31%
Simi Valley (RMA)	1,569.9	9.49%	112.0	0.62%	143.0	0.78%
Region II	6,322.2	3.77%	1,304.3	0.75%	1,343.2	0.76%
Region III	12,564.6	8.07%	2,441.9	1.45%	2,631.8	1.53%
Sum of RMAs	22,839.8	5.86%	4,452.4	1.07%	4,829.0	1.15%
Northern Consolidation	227.5	1.08%	208.6	0.97%	277.8	1.25%
Total	22,865.8	5.86%	4,445.8	1.07%	4,834.3	1.15%

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1 **B. Revenue and Rate Design**

2 **1) Revenues**

3 An accurate forecast of customers and water consumption is required to determine
4 revenues at present rates and design reasonable water rates for TY 2025 with revenue
5 neutrality. Cal Advocates’ estimates differ from GSWC’s regarding the number of
6 customers and water consumption. The addition of 1 commercial customer in Region III
7 is the only difference between Cal Advocates’ and GSWC’s number of customers
8 estimates. Cal Advocates’ water consumption estimates are based on five-year historical
9 average because the five-year average more accurately reflects usage trends based on
10 economic and other factors. For example, COVID-19 pandemic results in an increase in
11 the number of people working from home. Similarly, the State stopped asking residents
12 to cut their water use by 15%.¹ Currently, there is no drought in California and the
13 major water supply reservoirs are at 119% of their historical average levels with a
14 projected wet winter for Californians.^{2 3 4} Furthermore, GSWC also filed multiple rate
15 changes via Advice Letters in November 2023 regarding its sales reconciliation
16 mechanism adjustment for six districts.⁵ These filings show a revised adopted 2022
17 residential consumption that, on average, is 6.5% higher than the recorded 2022
18 residential consumption.⁶ Therefore, GSWC’s consumption forecast that is less than what
19 has been observed over the most recent five years is not justified. For more details on
20 revenue forecast, see Cal Advocates witness Herbert Merida’s Report on the Results of
21 Operations, Water Consumption, Revenues, Rate Design and Special Request #9.

¹ Office of Governor Gavin Newsom, *Governor Newsom Eases Drought Restrictions*, 3/24/23, <https://www.gov.ca.gov/2023/03/24/governor-newsom-eases-drought-restrictions/>, accessed on December 13, 2023.

² U.S. Drought Monitor, *California*, 2/8/24, <https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CA>, accessed on February 12, 2024.

³ The Washington Post, *California is drought-free for first time in years. What it means.*, 11/8/23, <https://www.washingtonpost.com/weather/2023/11/08/california-is-drought-free-first-time-years-what-it-means/>, accessed on December 13, 2023.

⁴ California Data Exchange Center, California Department of Water Resources, *Current Conditions: Major Water Supply Reservoirs*, 2/12/24, <https://cdec.water.ca.gov/resapp/RescondMain>, accessed on February 12, 2024.

⁵ GSWC Advice Letter Sales Reconciliation Mechanism Adjustment Rate Change Filings (AL 1915-W, AL 1917-W, AL 1919-W, AL 1921-W, AL 1923-W, AL 1925-W), filed 11/15/23.

⁶ GSWC Advice Letter Sales Reconciliation Mechanism Adjustment Rate Change Filings (AL 1915-W, AL 1917-W, AL 1919-W, AL 1921-W, AL 1923-W, AL 1925-W), filed 11/15/23.

1 across tiers. To develop tier break points for each service area, Cal Advocates first
2 calculates a percentage of all residential customers who use 6 CCF (Per D.20-07-032, 6
3 CCF per household per month is the necessary quantity for basic service) of water or less
4 per month, and then calculates the percentage of subsequent tiers based on the last
5 recorded twelve months (August 2022 – July 2023) of water usage. For more details on
6 tier break points, see Cal Advocates witness Herbert Merida’s Report on the Results of
7 Operations, Water Consumption, Revenues, Rate Design and Special Request #9.

8 **4) Tier Rates**

9 GSWC assigns a percentage of the standard quantity rate (SQR) for each tier in its
10 rate design. The SQR is the average rate necessary to collect the estimated volumetric
11 revenue. The SQR is calculated as the amount of volumetric revenue to be collected
12 divided by the total estimated consumption. However, the percentage of SQR that
13 GSWC assigns to its various service areas, combining with its proposed tier breaks,
14 results in overcollection or undercollection of volumetric revenues. This violates the
15 revenue neutrality standard of the rate design. Cal Advocates’ proposed rate design
16 provides greater relief to residential customers, maintains intended conservation signals,
17 and achieves rate neutrality. For more details on revenue and tier rates, see Cal
18 Advocates witness Herbert Merida’s Report on the Results of Operations, Water
19 Consumption, Revenues, Rate Design and Special Request #9.

20 **C. Forecast for Plant in Service and Rate Base**

21 Certain aspects of cost-based regulation may incentivize utilities to invest capital
22 to an unnecessary degree, requiring ratepayers to pay for unnecessary costs. In fact,
23 customer rates are calculated to produce utility net income that is directly proportional to
24 capital investment. A utility’s profit that is included in rates is determined by a
25 calculation of its net capital investment, or rate base, multiplied by its authorized rate of
26 return such as 7.53% currently authorized for GSWC. The greater the capital investment,
27 the greater utility profit that is included in rates. This dynamic and the potential for abuse
28 is explored in Averch and Johnson’s 1962 article “Behavior of the Firm Under

1 Regulatory Constraint.”⁹ The potential for the Averch-Johnson effect in utility rate
2 setting, often referred to as “gold-plating,” suggests that without stringent evaluation and
3 oversight by regulators of utility proposals, ratepayers would be harmed by excessive
4 rates that result from unnecessary utility spending and unreasonable shareholder profit.

5 The Commission should consider several fundamental policy aspects when
6 assessing GSWC’s estimates for the plant and the rate base. The issues of early
7 retirements of plant, condition-based assessment of plant proposed for replacement, the
8 Used & Useful status of plant, repeated funding requests for uncompleted plant, the
9 application of costs adders and contingency amounts for uncertain costs, are all examples
10 that are closely related to the reasonableness of the plant and rate base estimates.

11 **1) Early Retirement of Assets**

12 Early retirement of an asset leads to an imbalance between the depreciation
13 reserve and plant in service, which leads to ratepayers paying for assets that no longer
14 exist. An adjustment needs to be made to the recorded depreciation reserve to account
15 for extraordinary early retirements. In the case of an early retirement, only a portion of
16 the asset’s value has accumulated in the depreciation reserve, but the full original cost is
17 removed from both the plant in service and depreciation reserve accounts. Because the
18 depreciation reserve is a deduction from rate base, removing the full amount from the
19 depreciation reserve when only a portion has been added results in a negative subtraction
20 or effectively an addition to rate base.

21 The Commission’s standard practice for determination of straight-line remaining
22 life depreciation accruals (SP U-4-W) recognizes this issue in what is termed
23 “Extraordinary Obsolescence.”¹⁰ SP U-4-W states “unexpected early retirement of a
24 *major unit of property* may require some form of an adjustment.” An adjustment for the
25 assets that have been retired extraordinarily early is warranted. While “*a major unit of*

² Averch, Harvey and Johnson, Leland L. "Behavior of the Firm Under Regulatory Constraint." The American Economic Review 52, no. 5 (1962): 1052-069. Accessed November 20, 2020. <http://www.jstor.org/stable/1812181>.

¹⁰ CPUC Standard Practice U-4-W p. 42.

1 *property*” is not defined by the Commission, a utility’s bookkeeping practices should not
2 allow it to earn an unfair return from a mathematical flaw. If a utility chooses to record
3 its assets as multiple smaller amounts instead of recording them as larger projects, this
4 does not change the necessity of fixing the imbalance created by early retirements.

5 On the other hand, it is also possible that some assets might provide service to
6 ratepayers beyond their projected lives. But in these scenarios, there is no additional cost
7 that needs to be recovered. Furthermore, the utility still benefits from the assets being in
8 service by continuing to earn an annual depreciation expense for assets that have been
9 fully paid for by ratepayers which outweighs any reduction in the rate base due to the
10 associated increase in the accumulated depreciation. Thus, the assets that remain in
11 service past their estimated life still provide a benefit to the utility and do not balance out
12 those that are retired early. For monopoly utilities, the Commission’s regulation is a
13 substitute for competition. In a competitive environment, a business would not benefit
14 from the early retirement of assets. When an asset fails to last as long as it is expected, a
15 cost is incurred, and a loss must be reported. Utilities are compensated for business risk
16 through their Commission-approved rate of return. Allowing GSWC to transfer the
17 entire cost of an extraordinary early retirement onto ratepayers is inconsistent with what
18 would be allowed by market forces in a competitive environment. In addition to passing
19 on to ratepayers the risk of a failed asset, GSWC will also earn a return in perpetuity on
20 that cost unless the Commission adopts the depreciation reserve adjustments.

21 Cal Advocates reviewed GSWC’s most recent retirement transactions in the
22 current GRC and identified assets which were retired with 50% or more of their estimated
23 useful life remaining. For example, Cal Advocates started reviewing GSWC’s retired
24 pipelines; however, due to limited information provided by GSWC by the discovery due
25 date, Cal Advocates’ review was limited to a very small sample of 71 pipeline segments
26 out of 678 initially marked for sampling purposes. Cal Advocates finds no significant
27 issues related to early retirements of pipelines at this time. Cal Advocates will continue
28 its review in future GRCs. For more details, please see Cal Advocates witness Daphne

1 Goldberg’s Report and Recommendations on Pipeline Replacement. Similarly, Cal
2 Advocates reviewed various assets other than the pipelines and found a sizeable number
3 of early retirements in meters and service lines. The Commission should not require
4 ratepayers to pay for such early retirements. More specifically, the Commission should
5 increase the depreciation reserve by \$6,940,244 in Region I, \$21,676,834 in Region II,
6 and \$15,799,345 in Region III to offset the unreasonable impact of these early
7 retirements.¹¹ For more details on early retirements, see Cal Advocates witness, Sari
8 Ibrahim’s Report on Capital Project Cost Estimates and Cost Adders and Region III
9 Capital Projects Forecast Early Retirements and Rate base.

10 **2) Condition-based versus Age-based Assessment**
11 **of Plant Assets due for Replacement**

12 One way a regulatory body can protect ratepayers against a utility’s incentive to
13 overspend or potential “gold-plating” is to require utilities to demonstrate the need for
14 infrastructure investment based on the actual, physical condition of the current system
15 infrastructure, rather than based primarily on infrastructure age.

16 As described in Cal Advocates witness Daphne Goldberg’s Report and
17 Recommendations on Pipeline Replacement, GSWC’s reliance on the age of
18 infrastructure to determine its annual pipeline replacement rates can lead to unnecessary
19 replacements and unnecessary costs. As further described in that testimony, a recent
20 California study compared the results of using solely an age-based replacement plan,
21 which projected a need for \$300 million in pipeline replacements, with the results of a
22 condition-based assessment that examined the actual, physical condition of infrastructure.
23 The study concluded that following solely an age-based approach (similar to GSWC’s
24 use of the KANEW model) would have resulted in \$231 million in unnecessary costs.¹²

¹¹Cal Advocates Report on Capital Project Cost Estimates And Cost Adders Region III Capital Projects Forecast Early Retirements and Rate Base at p. 3-27.

¹² Mesa Study; Pipeline Integrity Testing to Assess the Useful Life of Pipeline Infrastructure (Mesa Study) AWWA Journal September 2019 Vol. 111 No.9. The Mesa Study was done in collaboration with the Water Research Foundation.

1 GSWC bases its annual pipeline replacement rates on the results of a model, which
2 relies on the average life expectancies of GSWC’s various pipeline materials as the basis
3 for its recommendations for replacement. It should also be noted that GSWC agreed to
4 investigate software tools that account for a pipeline’s condition as part of its settlement
5 with Cal Advocates during its last GRC (A.20-07-012).¹³ However, it has not yet
6 completed its investigation of selecting which tools to use and continues its use of
7 KANEW software. As described in Cal Advocates’ Report and Recommendations on
8 Pipeline Replacement, during the period 2018 through 2022, in most cases, GSWC has
9 replaced significantly more pipeline than estimated in Commission decisions. For
10 example, during 2018-2022, although GSWC spent less than its authorized budget, it
11 exceeded the number of miles of pipeline replacement by 40% in Region-I,¹⁴ 34% in
12 Region-II, and 37% in Region-III.¹⁵

13 Cal Advocates recommends that in the absence of condition-based assessment
14 tool, the most reasonable forecast for pipeline replacement is one that is based on the
15 actual cost of replacement during 2018-2022 compared to the corresponding authorized
16 budget during these past years. For example, the actual costs of replacement were, on
17 average, 43% of the authorized budget in Region-I, 64% of the authorized budget in
18 Region-II, and 83% of the authorized budget in Region-III. Therefore, the Commission
19 should reduce GSWC’s proposed budget in the same proportion in this GRC as well. For
20 more details, please see Cal Advocates witness Daphne Goldberg’s Report and
21 Recommendations on Pipeline Replacement.

22 **3) Repeat Projects**

23 Another potential abuse of a utility’s rate base stems from the number of
24 repeatedly funded projects that are yet to be completed. Ratepayers should never be
25 required to pay twice for projects that have failed to provide benefits once. With “future-

¹³ A.20-07-002 Decision and Settlement, p.18.

¹⁴ GSWC exceeded the Commission’s total authorized pipeline replacement miles for the following Region I systems: Cordova, Bay Point, Clearlake, Los Osos, Edna Road, and Tanglewood;

¹⁵ Public Advocates Report and Recommendations on Pipeline Replacement at pp. 20-21.

1 test-year” ratemaking, some projects funded in customer rates may be delayed or
2 cancelled altogether. Because customers have already paid once under the assumption
3 that these projects would be providing beneficial service, it is unreasonable to require
4 ratepayers to continue paying for these projects until the actual project benefits (i.e. in-
5 service) can be demonstrated in a subsequent general rate case.

6 Cal Advocates has carefully evaluated GSWC’s proposed projects and
7 recommends that ratepayers not pay a second time for as-yet uncompleted projects. For
8 example, in its review of GSWC’s Construction Work in Progress (CWIP) proposed
9 estimates, Cal Advocates identifies several such repeat projects for which GSWC yet
10 again requests additional funding. For example, GSWC requests additional funding for
11 several CWIP projects under a Category 4b projects which the Commission authorized in
12 the last 2020 GRC and which the utility should have completed by 2023. However,
13 GSWC requests additional funding to complete these projects by 2024, 2025 and 2026.
14 The aggregate amount for these projects is \$7.41 million dollars over the 2024-2026
15 period.¹⁶ The Commission should reject the additional costs for these repeat projects in
16 this GRC and allow the costs into customer rates only when the projects can be
17 demonstrated as completed. For more details on these repeat projects, see Cal Advocates
18 witness Chandrika Sharma’s Report and Recommendations on Water Quality (Special
19 Request 4) and Construction-Work-in-Progress.

20 **4) Projects That Are Not Used & Useful**

21 Another serious concern for potential “gold-plating” of a utility’s rate base relates
22 to the projects that are not Used & Useful but are proposed by GSWC to be included in
23 rate base. On average, most of the water utility rate base is comprised of completed
24 projects that are assumed to be providing service to customers. However, general rate
25 cases are focused upon proposed projects that the utility presents for new funding.
26 Completed projects should also be reviewed for their Used & Useful status to ensure

¹⁶ Cal Advocates’ Report and Recommendations on Water Quality (special request 4) and Construction-Work-in-Progress at p. 3-14, Table 3-2.

1 ratepayers are not paying utility profits on unused assets. This is consistent with what
2 one would expect in a competitive environment. The Commission’s regulation, once
3 again, should assume its inherent role as a substitute for competition to make sure the rate
4 base is free from such unreasonable projects.

5 **a. Recorded Plant in Rate Base**

6 GSWC has an end of year-2022 Total Utility Plant balance of \$2.1 billion,¹⁷ with
7 projected net additions of \$120 million in 2023, \$201 million in 2024, \$183 million in
8 2025, and \$160 million in 2026.¹⁸ A utility is only afforded the opportunity to earn a
9 return on investments that are prudent and Used & Useful. It would be virtually
10 impossible to examine each recorded asset in a utility’s rate base within the time frame of
11 a single GRC. As such, Cal Advocates attempts to examine GSWC’s rate base plant
12 accounts through targeted sampling. Cal Advocates has reviewed GSWC’s recorded
13 plant by taking samples of major categories of plant assets such as Pumps and Motors,
14 Pressure Relief Valves, Generators, and Meters. These samples were further reduced to a
15 manageable size of 10% of the category. For Reservoirs, Treatment Plants, and Vehicles,
16 Cal Advocates did review all of the assets in the category. Cal Advocates’ review
17 focused on the utilization rate of these assets in terms of verifying their Used & Useful
18 status. Cal Advocates’ review did not identify assets that failed the Used & Useful
19 criterion at this time.

20 **b. Current Requests for New Plant Additions and Multi-Phased**
21 **Projects**

22 As discussed earlier, GSWC requests a sizeable budget for new plant addition in
23 this GRC. The Used & Useful concerns for these new plant additions are equally
24 important and for the same reason, namely, to ensure ratepayers are not paying utility
25 profits on unused assets. Cal Advocates’ review of the new plant additions reveals that
26 there are quite a few requests for conducting specific studies that do not currently add any
27 Used & Useful assets for the ratepayers until possibly at the completion of the studies.

¹⁷ GSWC RO Model SEC-50_RB_Plant sheet Rec Tot Utility Plant EOY WS-14 column J.

¹⁸ GSWC RO Model SEC-50_RB_Plant sheet Proj Tot Utility Plant EOY W-15 columns I-L.

1 Allowing costs of such studies in rate base at this time would equate to advance rate base
2 funding from captive ratepayers while saddling them with the entire financial risk if the
3 studies do not result in actual projects. For example, in Region-I, GSWC requests a
4 Recycled Water Study for \$189,900 in 2026, and Ductile Iron Pipeline Study for
5 \$113,300 in 2025.¹⁹ These studies provide no benefits for the ratepayers in this GRC
6 cycle because the results of the studies are unknown until they are completed. GSWC's
7 request to earn a return on these studies shifts the entire risk of the studies onto ratepayers
8 as the studies may not result in an actual project. Ratepayers should only pay for Used
9 and Useful projects that provide them with tangible benefits. GSWC should request the
10 cost of the studies in a future GRC when the result of the studies lead to actual completed
11 projects that deliver benefits to ratepayers.

12 Another area where the Used & Useful criterion needs to be applied is for multi-
13 phased or multi-step projects. These projects are generally divided into an initial Design
14 & Permitting phase and a later Construction phase. It is obvious that during the initial
15 phase of Design & Permitting, the capital project is not Used & Useful. Therefore, the
16 Commission should not require ratepayers to pay for advance funding of the portion of
17 the project that is not Used & Useful. For example, in its Region-I, GSWC requests
18 \$317,800 for the Phase -1 of Hill Street Well No.2 for design and permitting costs in TY
19 2025.²⁰ The Phase-1 project in this GRC will not provide tangible benefits for the
20 ratepayers, and as such, GSWC should not be allowed to earn a return on such capital
21 expenditure. Instead, GSWC may include the cost of design and permitting along with
22 the cost of drilling and equipping the well in a future rate case when the proposed project
23 is expected to be Used & Useful during the period for which customer rates are set.

¹⁹ Cal Advocates' Report and Recommendations on Region I: (Arden Cordova, Bay Point, Clearlake, Los Osos, Santa Maria & Simi Valley) at p. 2-4.

²⁰ Cal Advocates' Report and Recommendations on Region I: (Arden Cordova, Bay Point, Clearlake, Los Osos, Santa Maria & Simi Valley) at p. 2-3.

1 **5) Use of Generic Contingency Adders to inflate**
2 **Capital Costs**

3 The use of a generic contingency adder can also contribute to the potential “gold-
4 plating” of a utility’s rate base. Contingency adders are inherently speculative in nature
5 and account for uncertainties and variables that are unknown at the time GSWC estimates
6 the cost of its projects. The Commission has stated that to pass the test of fundamental
7 fairness, in a normal general rate case, the utility must demonstrate the reasonableness of
8 every dollar in its revenue requirement.²¹ Thus, as the contingency adder accounts for
9 unknown and unpredictable costs, the contingency adder to a project budget fails to meet
10 this reasonableness requirement. In addition, the contingency adder not only shifts the
11 risk of cost overruns squarely to ratepayers, but also rewards shareholders for such cost
12 overruns, thus reducing incentives for utilities to be cost effective.

13 The removal of contingency is also justified given the Commission’s role as a
14 substitute for competition. In a competitive market, a company can increase profits by
15 minimizing costs. However, for regulated utilities, a utility can maximize its returns by
16 increasing its capital spending. There is no incentive for a utility to spend less than the
17 entire project budget once it is authorized in rates. Therefore, the incentives for including
18 generic contingency adders can be another means to inflate the rate base. Therefore, the
19 Commission, in its role as a substitute for the competition, should not allow for
20 speculative contingency amounts when establishing rates. Not including contingency
21 will incentivize utilities to complete projects within their forecasted budgets, under which
22 the reasonableness of the project was originally assessed. On the other hand, GSWC will
23 still have an opportunity to request recovery of prudent and reasonable cost overruns in
24 its subsequent rate cases. In fact, GSWC requests to recover project costs that exceeded
25 the authorized project cost budget in the current rate case. Certain projects in GSWC’s
26 Construction Work in Progress (CWIP) account were approved by the Commission in the
27 previous rate cases with the expectation that they will be completed by this rate case

²¹ D.96-12-066 at P.5.

1 cycle with a change in project scope, project budget, or both. Cal Advocates carefully
2 reviews these projects and recommends their inclusion in rate base if they are necessary,
3 prudent, and reasonable.

4 Based on the foregoing discussion, Cal Advocates recommends that the
5 Commission should remove generic contingency adders from proposed project budgets.
6 For more details, see Cal Advocates witness Justin Menda’s Report on the General Office
7 Plant and Cost Adders.

8 **6) Use of Various Cost Adders to Inflate Capital**
9 **Costs**

10 In addition to the use of usual escalation factors such as compensation per hours
11 escalation rate, construction cost escalations rates, and overhead rates for its capital
12 projects,²² GSWC also adds various additional cost adders to its capital projects that are
13 unnecessary and unreasonable. For example, GSWC adds location adders, sales tax
14 adders, mobilization adders, payment and performance bond adders, and direct cost
15 (design, permits and fees) adders.²³ These additional cost adders are further examples of
16 Averch-Johnson effect in utility “gold-plating.” The potential need for most of these cost
17 adders is already captured in the historic cost bases used by GSWC to forecast future
18 projects. By adding them once again, GSWC exaggerates the cost estimates. In addition,
19 GSWC applies these cost adders in a global fashion, that is, these cost adders are applied
20 to all projects regardless of project location and how their base cost estimates were
21 developed.

22 For example, in Region III, GSWC requests the Sherill Plant Land Acquisition
23 project. GSWC estimates \$170,000 for “design and permitting” in 2024 and \$1,455,800
24 for construction in 2025.²⁴ Or approximately \$1.6 million that would be in rate base
25 earning a return in perpetuity since land is a non-depreciable asset. To estimate the cost
26 of the land purchase, GSWC compares values of available properties in the area and

²² GSWC’s Testimony of Brad Powel, p. 3, footnote 1.

²³ GSWC’s Testimony of Gisler, Insko - Vol 1 Capital Testimony, p. 23.

²⁴ GSWC’s Testimony of Gisler, Insko - Vol 1 Capital Testimony, p. 175.

1 selects an available property that was listed at \$850,000. Using \$850,000 as the direct
2 cost, GSWC adds an additional 4% as a location-based adder, despite knowing the exact
3 location of the property used. Next, GSWC adds a 10% mobilization adder, a 3%
4 payment and performance bond, and 9.25% sales tax, even though the simple purchase of
5 land is unlikely to occur these additional costs. Finally, GSWC adds 15% to the direct
6 costs for permits, fees, and design labor. Thus, the new estimated cost for the land
7 purchase is \$1,211,862 with the various adders, which is \$362,000 or 42.5% more than
8 the base cost of \$850,000. Moreover, the new cost estimate of \$1,211,862 does not
9 include GSWC's escalation, contingency, overhead and direct supporting labor costs.
10 GSWC forecasts an annual escalation of 3% and a contingency factor of 10% which adds
11 another \$237,114 to the project's estimate. Further, GSWC has forecasted \$176,823 for
12 overhead and for direct supporting labor. In the end, the cost of \$850,000 for vacant land
13 based upon comparable locations has nearly doubled to \$1,625,800. In ratemaking, land
14 is a non-depreciable asset and GSWC would be earning a return on the \$1,625,800 for as
15 long as the property is recorded in rate base. Based on GSWC's current rate of return of
16 7.53% and a net to gross multiplier of 1.44510, ratepayers would pay an unnecessary
17 \$176,000 each year for an \$850,000 piece of land.

18 Finally, ratepayers would not benefit from this property acquisition until the water
19 facility is built on the site. Cal Advocates recommends removing the cost of this project
20 from rate setting in this GRC.

21 Based on the foregoing discussion, the Commission should deny GSWC's request
22 to require ratepayers to pay for additional cost adders to its capital projects that are not
23 necessary and are unreasonable. For more details, see Cal Advocates witness Sari
24 Ibrahim's Report on Capital Project Cost Estimates and Cost Adders and Region III
25 Capital Projects Forecast Early Retirements and Rate base.

1 **7) Per- and polyfluoroalkyl Substances (PFAS)**
2 **Treatment Plants**

3 Another area of concern for GSCW’s potentially inflated rate base relates to
4 inclusion of capital projects that are not previously authorized by the Commission.
5 Record shows that GSWC has spent \$3,110,500 in the Norwalk system, \$1,411,500 in the
6 Hollydale system, and \$3,045,000 in the Bell Garden system on building treatment plants
7 for PFAS contaminants²⁵. However, these treatment plants are premature and recent
8 water quality results do not support the construction of these treatment plants. For
9 example, United States Environmental Protection Agency (USEPA) has only issued a
10 draft Maximum Contaminant Level (MCL) of 4 part per trillions (ppt) for PFAS
11 contaminants. The USEPA notes that this MCL does not require any actions for drinking
12 water systems until the rule is finalized. Once the rule is finalized, water systems would
13 have three years to be in compliance with the MCLs²⁶. The earliest the federal MCL
14 could be finalized is 2024. Since water systems have three years to be in compliance
15 with the new MCLs, the earliest possible compliance date would be sometime in 2027.

16 Similarly, the State Water Resources Control Board, Division of Drinking Water
17 (DDW) has yet to establish an MCL for PFAS. Health and Safety Code §116365
18 requires that State Water Board MCLs be consistent with certain criteria.²⁷ The State
19 Water Board MCLs cannot be less stringent than the federal MCLs, and MCLs must be
20 set as close as technically and economically feasible to the Public Health Goal (PHG).
21 DDW established notification levels of 5.1 ppt for PFOA (perfluorooctanoic acid) and 6.5
22 ppt for PFOS (perfluorooctanesulfonic acid) and response levels of 10 ppt for PFOA and
23 40 ppt for PFOS. A notification level requires a utility to report results to certain local
24 agencies when the level is exceeded. DDW also encourages utilities to report the
25 exceedance to customers. If a water system exceeds a response level, DDW recommends
26 the utility remove the water source from service, install treatment, or notify the public of

²⁵ GSWC response to Minimum Data Request (MDR) attachment “D.6 Capital Built Not Authorized – App 2023 - Revised”

²⁶ Proposed PFAS National Primary Drinking Water Regulation FAQs for Drinking Water Primacy Agencies at p. 1

²⁷ See Cal. Health & Safety Code, § 116365, subd. (a) and (b).

1 the continued use of the source and the health effects of the contaminant along with
2 increasing the contaminant monitoring frequency.

3 Even though there are federal draft PFOA and PFOS MCLs, USEPA states that
4 the proposed MCLs do not require any action by water systems until the MCLs are
5 finalized.²⁸ There is currently no final or proposed California State MCL for PFOA or
6 PFOS. Therefore, it is premature for GSWC to build PFOA and PFOS treatment plants.
7 In addition, the most recent water quality results show that the annual average for both
8 PFOA and PFOS are below the PFOA and PFOS response levels.²⁹ Therefore, instead of
9 building premature treatment, GSWC could have temporarily taken the contaminant
10 wells offline and made up the lost production by supplying water from another source or
11 by purchasing water until the PFOA and PFOS MCLs are finalized.

12 Based on the foregoing discussion, Cal Advocates recommends that the
13 Commission deny GSWC's request to require ratepayer to pay for multiple PFAS
14 treatment plants at this time. For more details, see Cal Advocates witness Cortney
15 Sorensen's Report on Region II Capital Projects Forecast and Rate Base.

16 **8) Construction Work in Progress (CWIP)**

17 When it comes to water utilities' ratemaking in California, CWIP can be a
18 significant source of potential ratepayer abuse. By allowing water utilities to include
19 CWIP in ratebase,³⁰ the Commission allows incomplete capital projects that are ***not*** Used
20 and Useful to earn utility profits. This special treatment of CWIP's projects that are not
21 Used and Useful was partially based on the Commission's 1982 Staff Memo on CWIP,
22 which indicated that, on average, it takes water utilities four months to complete their
23 capital projects.³¹ In contrast, today, most water utilities' capital projects span over
24 multiple years. However, the more egregious aspect of CWIP is the inclusion of

²⁸ Proposed PFAS National Primary Drinking Water Regulation FAQs for Drinking Water Primacy Agencies at p. 1

²⁹ Cal Advocates' witness Cortney Sorensen's Report on Region II Capital Project Forecast and Rate Base at pp. 3-4 to 3-10.

³⁰ The Commission generally does not allow other utilities to include CWIP in rate base.

³¹ Cal Advocates witness Chandrika Sharma's Report and Recommendations on Water Quality (special request 4) and Construction-Work-in-Progress, Attachment 2.1.

1 uncomplete projects. Unless the Commission takes corrective action, ratepayers will
2 continue to pay for uncomplete projects from which they derive no benefits while utilities
3 continue to receive profits. Similarly, water utilities can inflate CWIP balances by
4 adding capital projects that do not meet the definition of Work-in Progress such as one-
5 time vehicle purchases. Furthermore, some water utilities add capital projects in CWIP
6 that they have long cancelled.

7 GSWC’s CWIP request has all the problems identified above. For example,
8 GSWC requests \$140,993,362 for each year among all three of its Regions over the
9 period of 2024-2026.³² This CWIP amount includes \$789,310 for a Mojave Booster
10 Station (WO#35931007)³³, which was added to CWIP in 2011. But at the time of the
11 filing of instant GRC (06/01/2023), the project was only 22% complete and clearly not
12 used and useful, but GSWC is earning a profit on this incomplete project since 2011³⁴.
13 Similarly, GSWC’s CWIP includes another \$2,111,350 for vehicles, which were added in
14 the CWIP in 2020 with completion date of 12/31/2023³⁵. So GSWC would earn a profit
15 over three years for a simple one-time purchase of these vehicles. Similarly, GSWC
16 includes in its CWIP another \$99,665 for eight different capital projects that were
17 cancelled³⁶. The Commission should deny GSWC’s attempts to use the CWIP account as
18 a source of undue profitmaking at the expense of ratepayers. For more details, see Cal
19 Advocates witness Chandrika Sharma’s Report and Recommendations on Water Quality
20 (special request 4) and Construction-Work-in-Progress.

21 **D. Forecast for Expenses**

22 Like the Averch-Johnson effect or “gold-plating” described above for capital
23 spending, a utility’s forecast of annual operating expenses requires careful examination to

³² GSWC’s Testimony of McDonough, Sinagra - Vol 1 CWIP Testimony, Appendix 1 and Attachments A to D - APP page. 4.

³³ GSWC RO Model Y_SEC-50_RB_CWIP in sheet IN_CWIP on line 858.

³⁴ GSWC response to Cal Advocates’ Data Request, DR CHA-006 (CWIP - All), Question-1 and 2.

³⁵ GSWC response to Cal Advocates’ Data Request, DR CHA-006 (CWIP - All), Question-1 and 2.

³⁶ GSWC response to Cal Advocates’ Data CHA-001 (CWIP - Category 6), Question-1

1 prevent unreasonable customer rates and utility profit. Although utility expenses do not
2 contain a built-in profit percentage like utility's authorized capital spending,
3 overestimating expense budgets would produce revenues in excess of operating costs,
4 which can also result in unreasonable rates and undue profits. The following discussion
5 addresses a few areas of concern related to GSWC's overstatement of expenses.

6 **1) Executive Compensation**

7 The TY 2025 Executive Compensation Budget covers the overall compensation of
8 GSWC's eight executive officers. The compensation structure includes three
9 components: (1) base salary, (2) short-term cash incentives (short-term incentives
10 program or STIP), and (3) equity grants (long-term incentives program or LTIP). GSWC
11 requests a TY 2025 Executive Compensation Budget of \$8,060,600 that is comprised of
12 \$3,590,200 of base salary, \$1,877,200 of STIP, and \$2,593,200 of LTIP compensation³⁷.
13 The STIP budget is based on the projected base salary and the target STIP award
14 percentages.³⁸ The LTIP budget is based on the target grant awards.³⁹ Authorization of
15 the STIP and LTIP budgets will burden ratepayers even if the STIP/LTIP performance
16 targets are not met under GSWC's executive compensation requests. In the past, the
17 Commission has authorized recovery of 50% of the annual STIP cost and denied
18 recovery of the annual LTIP costs.⁴⁰ However, neither the STIP nor LTIP cost is
19 guaranteed, and ratepayers are not the primary beneficiaries of either. Ratepayers should
20 not pay incentives for GSWC's executives to perform their basic management duties for
21 which they already receive a base salary.

22 For example, there are 12 STIP objective performance measures applicable to
23 GSWC executive officers.⁴¹ In D.16-12-067 (GSWC 2014 GRC), the Commission found
24 that STIP operating and individual performance metrics benefit ratepayers in ensuring

³⁷ GSWC's Testimony of Jon Pierotti at 21.

³⁸ GSWC's Testimony of Jon Pierotti at 22.

³⁹ GSWC's Testimony of Jon Pierotti at 22.

⁴⁰ D. 16-12-067, pp. 103-104.

⁴¹ GSWC's Testimony of Jon Pierotti at 14.

1 that officers are carrying out directives and activities to ensure the operational safety and
2 reliability of GSWC’s utility systems.⁴² This finding is not applicable as incentives of the
3 program have extended beyond GSWC-related operational performance. For the
4 incentives related to operational performance standards, ratepayers should not pay
5 incentives for executives to perform their basic and required management duties.
6 Therefore, the Commission should deny recovery of the STIP budget from ratepayers.

7 With respect to LTIP compensation, GSWC’s LTIP grants are awarded annually
8 as stock-based compensation with both a time-vested aspect and a performance-based
9 aspect, measured over a three-year period.⁴³ Like the STIP performance measures, the
10 LTIP performance measures pertaining to total shareholder return (TSR) and operating
11 expenses primarily benefit shareholders and not ratepayers, consistent with the
12 Commission’s finding in D.16-12-067.⁴⁴ The third LTIP performance measure relates to
13 the net earnings of ASUS (an unregulated affiliate of GSWC), and not to GSWC
14 ratepayers. The Commission should reaffirm its previous decision and not authorize any
15 cost recovery related to GSWC’s LTIP from the ratepayers.

16 In addition, GSWC’s proposed increase in executive base salaries is also
17 unreasonable. For example, on average, GSWC’s executive base salary is 5.3 times more
18 than the average base salary of GSWC’s non-executive employee. Cal Advocates’
19 recommended TY 2025 executive base salary budget of \$3,153,700 is consistent with the
20 compensation level last authorized.⁴⁵ The Commission should protect ratepayers from
21 paying unreasonably large executive base salary compensations.⁴⁶ For more details, see
22 Cal Advocates witness Sam Lam’s Report and Recommendations on Golden State Water

⁴² D.16-12-067 at 103.

⁴³ D.16-12-067 at 103.

⁴⁴ D. 16-12-067 at 104.

⁴⁵ D.23-06-024

⁴⁶ Alternate Proposed Decision in (A.) 21-07-002 at 101.

1 Company's General Office Expenses Budget, Conservation Program Budget, Special
2 Request #2 and #3.

3 **2) General Office Allocations**

4 Another area of concern for unreasonable costs is the allocation of a utility's
5 General Office (G.O.) expenses. Such concerns are magnified with the presence of
6 parent company and other unregulated affiliates and subsidiaries, which draw common
7 back-office help such as Informational Technology, Accounting, Finance, Taxation, and
8 overall executive level strategic planning and supervision. If these General Office costs
9 are improperly allocated and skewed toward the regulated operations, ratepayers would
10 end up paying an unfair share of these costs. Furthermore, ratepayers may end up
11 subsidizing the costs of unregulated affiliates and subsidiaries providing them with an
12 unfair advantage.

13 GSWC has both a parent company corporate structure and unregulated affiliates,
14 which draw on various general office services and resources. GSWC's parent company
15 is American States Water Company (AWR). AWR subsidiaries consists of three wholly
16 owned subsidiaries: GSWC, Bear Valley Electric Services, Inc. (BVES), and American
17 States Utility Services, Inc. (ASUS)⁴⁷. There are no employees at the AWR parent level,
18 and it performs no functions.⁴⁸ GSWC's Corporate Support performs the functions and
19 services expected of the AWR's corporate office and allocates these costs to AWR's
20 subsidiaries, GSWC, ASUS, and BVES.⁴⁹ BVES provides electrical services in San
21 Bernardino County adjacent to Big Bear and Baldwin Lake and its operations are
22 regulated by the Commission.⁵⁰ ASUS provides water and/or wastewater utility services
23 on eleven military bases located throughout the United States.⁵¹ The Commission does
24 not regulate ASUS' operations. GSWC claims that it has used the Commission's four-

⁴⁷ GSWC's Testimony of Jenny Darney-Lane at 28.

⁴⁸ GSWC's Testimony of Jenny Darney-Lane at 27.

⁴⁹ GSWC's Testimony of Jenny Darney-Lane at 27.

⁵⁰ GSWC's Testimony of Jenny Darney-Lane at 27.

⁵¹ GSWC's Testimony of Jenny Darney-Lane at 29.

1 factor allocation methodology in allocating its GO expenses. More specifically, GSWC
2 request that 75% of its GO allocable expenses should be allocated to GSWC, 9.3% to
3 BVES, and 15.6% to ASUS⁵².

4 Cal Advocates' review of GSWC's allocation methodology reveals that GSWC
5 uses the Number-of-Contracts (8) for its ASUS operations as a substitute for the Number-
6 of-Customers while uses 263,096 end-users for GSWC and 24,681 end-users for BVES
7 as Number-of-Customers when calculating allocation estimates. Therefore, GO
8 allocations are skewed away from ASUS and diverted to GSWC's ratepayers. Using the
9 Number-of-Contracts as a substitute for the Number-of-Customers, ASUS unfairly
10 allocates a larger portion of GO expenses to GSWC. This substitution does not
11 accurately reflect the nature and extent of the services provided by ASUS. For example,
12 based on the 2022 recorded data, ASUS generated \$110,940,000 i.e. 22.6% of AWR's
13 total revenues of \$491,528,000, but its customers in terms of eight contracts were only
14 0.003% of total 287,785 customers of AWR⁵³. This is unreasonable, and the
15 Commission has denied such aggressive accounting in costs allocations in the past.

16 For example, the Commission rejected a similar methodology in a GRC filing by
17 Suburban Water Systems (Suburban). In that proceeding, Suburban also proposed to
18 count its affiliate's contracts as equivalent customers⁵⁴. In D.12-04-009, the Commission
19 resolved that issue by declaring Suburban's counting each contract as a single customer,
20 while counting Suburban's 75,000 customers as un-credible, unfair, and unreasonable.
21 The Commission further noted that if the Number-of-Customers in the individual contract
22 is irrelevant to the services provided to the unaffiliated entities then the Number-of-
23 Customers (either 1 or 75,000) is an irrelevant factor for allocation purposes.⁵⁵

⁵² GSWC's Testimony of Jenny Darney-Lane at 37.

⁵³ Cal Advocates witness Sam Lam's Report and Recommendations on Golden State Water Company's General Office Expenses Budget, Conservation Program Budget, Special Request #2 and #3 at p. 3-34

⁵⁴ A.11-04-009: Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service by \$19,234,576 or 35.85% in 2012, by \$3,032,827 or 4.18% in 2013, and by \$1,973,200 or 2.61% in 2014.

⁵⁵D.12-04-009, p.17.

1 in the Clearlake per the direction of D.08-01-043⁵⁸. In its Water Loss Reduction Plan,
 2 GSWC informed the Commission that it planned to reduce the 17% water loss in 2008
 3 down to 9% by 2013. GSWC identified several water loss reduction measures such as: a
 4 yearly small meter replacement program; a yearly testing program of all production
 5 meters; a main replacement program; annual leak detection surveys; and a program to
 6 reduce water used in operations. When Cal Advocates inquired about the status of the
 7 Water Loss Reduction Plan, GSWC claimed that the Water Loss Reduction Plan is an
 8 ongoing collection of activities⁵⁹. However, extreme water loss estimates of 50.39%
 9 indicate that GSWC’s ongoing water loss reduction activities have failed to reduce the
 10 water loss in the Clearlake, and in fact, the water loss percentage has nearly tripled. The
 11 following Table ES-4 shows the water loss percentages in the Clearlake for the past five
 12 years:⁶⁰

13 **Table ES-4: Water Loss Percentage in Clearlake During the Past Five Years**

2018	2019	2020	2021	2022	Average
49.79%	54.44%	53.93%	55.20%	38.56%	50.39%

14 In addition, GSWC claims that under its Special Request #5, the consolidation of
 15 Arden Cordova and Clearlake CSAs into a single Northern District for ratemaking
 16 purposes would also benefit Clearlake as Clearlake is a prime candidate for an aggressive
 17 pipeline replacement program⁶¹. GSWC alleges that, due to a concern for rate
 18 affordability, actual replacements have been low and GSWC has been prevented from
 19 keeping water loss under control in the Clearlake Systems. If the Clearlake Systems were
 20 to be consolidated as part of a larger ratemaking area, the shared cost allocations would
 21 allow for increased pipeline replacement. Increased pipeline replacement would result in
 22 decreased water loss, decreased Green Houe Gas (GHG) emissions, and ultimately, a

⁵⁸ D.08-01-043, Ordering Paragraph 9.

⁵⁹ GSWC’s Response to Cal Advocates Data Request, SN2-015-Follow Up, Question 2.

⁶⁰ GSWC response to Minimum Data Request (MDR) file: “E.2 Unaccounted Water.pdf.”

⁶¹ Jon Pierotti’s Direct Testimony, p. 36.

1 reduction in the associated impacts of climate change.⁶² However, GSWC also estimates
2 a relatively higher water loss percentage of 18.74% in 2025, 2026, and 2027 for Arden
3 Cordova as well.⁶³ Thus, Arden Cordova has a high water loss issue of its own despite
4 the fact that it has a relatively larger customer base and pipeline replacement program.
5 Therefore, the problem of extreme water loss does not solely relate to an accelerated
6 pipeline replacement program or having a larger customer base, otherwise the water loss
7 percentage in Arden Cordova would have been more in line with the water loss target rate
8 of 7% set by American Water Works Association (AWWA) and adopted by the
9 Commission.⁶⁴ An added concern also exists that after the approval of GSWC’s
10 proposed consolidation, the extreme water loss in Clearlake might be reported on a
11 consolidated average basis, thus giving the misleading impression that the water loss in
12 Clearlake has decreased.

13 No private enterprise could remain competitive while losing on average 50.39% of
14 its inventory. As a substitute for Competition, the Commission should impose financial
15 consequences for maintaining extreme water loss. Cal Advocates proposes GSWC’s
16 variable water supply budget⁶⁵ should be reduced by 43.39% (50.39%-7%) in its
17 Clearlake CSA. The Commission should require GSWC to continue reporting water loss
18 on stand-alone basis for both Arden Cordova and Clearlake CSAs even if the
19 Commission approves the request for consolidation for ratemaking purposes.

20 **E. Environmental and Social Justice (ESJ) Action Plan**

21 The Commission’s Environmental and Social Justice (ESJ) Action Plan serves as
22 both a commitment for furthering principles of environmental and social justice, as well
23 as an operating framework with which to integrate ESJ considerations throughout the
24 agency’s work. The Commission adopted ESJ Action Plan’s Version 1.0 in February

⁶² Jon Pierotti’s Direct Testimony at pp. 36-37.

⁶³ GSWC response to Minimum Data Request (MDR) file: “E.2 Unaccounted Water.pdf.”

⁶⁴ D.07-05-062 at pp.26-28

⁶⁵ Purchases Water Costs, Purchased Power Costs, and Chemical Costs.

1 2019 with nine overarching goals. The Version 1.0 establishes a definition of
2 Environmental and Social Justice Communities as predominantly communities of color
3 or low-income communities that are underrepresented in the policy setting or decision-
4 making process, subject to disproportionate impact from one or more environmental
5 hazards, and are likely to experience disparate implementation of environmental
6 regulations and socioeconomic investments in their communities.⁶⁶ The ESJ Action Plan
7 further identifies the ESJ communities as those disadvantage communities which are
8 defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with the
9 score within the highest 5% of CalEnviroScreen 3.0's Pollution Burden but which do not
10 receive an overall CalEnviroScreen score⁶⁷.

11 During discovery, GSWC claims that it has the following initiatives related to
12 ESJ:1) Reducing Greenhouse Gas Emissions, 2) Mitigating climate change and weather
13 effects, 3) Water conservation and customer communication/education, 4) Providing safe
14 and reliable service to all customers, 5) ensuring water supply, 6) Uninterrupted water
15 supply, 7) Public Safety, 8) Supplier Diversity, 9) Engaging with communities, 10)
16 Diversity & Inclusion, 11) Affordable access to water, 12) Low income or disadvantaged
17 assistance program, 13) Providing economic benefits to low income and disadvantaged
18 communities, and lastly 14) Water quality for all customers⁶⁸.

19 However, Cal Advocates identifies GSWC's ESJ goals as generic in nature and
20 not necessarily targeting ESJ communities. Instead, GSWC's ESJ goals relate to all its
21 customers regardless of their ESJ status. For example, GSWC's initiatives such as
22 mitigating climate change and weather effects, water conservation and customer
23 communication/education, providing safe and reliable service to all customers, ensuring
24 water supply, uninterrupted water supply, public safety, and affordable accesses to water,
25 are all examples of its generic policies that are applicable to all customers regardless of
26 their ESJ status.

⁶⁶ Environmental & Social Justice Action Plan, Version 2.0 at 2.

⁶⁷ Environmental & Social Justice Action Plan, Version 2.0 at 2.

⁶⁸ GSWC's response to Cal Advocates Data Request SRA-001, Q.2.

1 In addition, a few of GSWC’s projects that it claims to serve ESJ communities do
2 not meet the standards established by the CalEnviroScreen 4.0 (an upgrade to
3 CalEnviroScreen 3.0). For example, GSWC’s Holabird Plant Solar Generation
4 (Calipatria) and the Kiowa Plant (Apple Valley South) Solar Generation Projects aimed
5 at mitigating GHG emissions,⁶⁹ are not located in ESJ communities per CalEnviroScreen
6 4.0 census tracts. Similarly, GSWC’s claim that its Placentia-Yorba Linda System,
7 Drought Tolerant Landscaping projects will achieve the ESJ initiative of water
8 conservation and customer communication and education, is not located in an ESJ
9 community per CalEnviroScreen 4.0 census tract. For more details, see Cal Advocates
10 witness Ama Serwaa’s Report and Recommendations on Customer Service,
11 Environmental and Social Justice Action Plan and Robbins Expenses.

12 **F. Special Requests**

13 GSWC identifies nine specific issues as Special Request (SR) in its instant GRC.
14 These Special Requests are as follows:

15 SR#1: Amortization and Continuation of Balancing and Memorandum Accounts

16 SR#2: Water Conservation Advancement Plan

17 SR#3: Sales Reconciliation Mechanism

18 SR#4: Finding on Water Quality

19 SR#5: Consolidation of Arden Cordova and Clearlake for Ratemaking Purposes

20 SR#6: Customer Assistance Program and Credit/Debit Card Bill Payment
21 Expenses Recovery

22 SR#7: Special Fees (increase in fire flow testing, reconnection/cross connection
23 fees, and a new tampering fee)

24 SR#8: Modification to PFAS Memorandum Account

⁶⁹ GSWC’s response to Cal Advocates Data Request, SRA-006, Question-1

1 SR#9: Supply Mix Adjustment Mechanism

2 Cal Advocates' witnesses evaluate GSWC's specific Special Requests. See Table
3 ES-5 below that lists the names and reports of Cal Advocates' witnesses sponsoring the
4 pertinent discussion and recommendations about the specific Special Requests. The
5 following is an overview of a few Special Requests with more significant policy
6 implications and ratepayer impact.

7 **1) SR#2: Water Conservation Advancement Plan**
8 **(WCAP)**

9 Under its SR# 2, GSWC requests authority to implement an alternative revenue
10 decoupling program, the Water Conservation Advancement Plan (WCAP). The WCAP
11 includes two balancing accounts: the Water Consumption Revenue Balancing Account
12 (WCRBA) and the Water Consumption Cost Balancing Account (WCCBA).⁷⁰ The
13 WCAP is designed to fully decouple revenues and sales and track differences between
14 recorded volumetric revenues and Commission-authorized expenses. However, Cal
15 Advocates' close review of WCAP reveals that it is fundamentally the same as GSWC's
16 old Water Revenue Adjusting Mechanism (WRAM), and the WCRBA and WCCBA
17 balancing accounts operate in a similar manner as GSWC's past Modified Cost Balancing
18 Accounts (MCBA) and WRAM which GSWC has used since 2008.⁷¹

19 In 2020, the Commission concluded its ten-year WRAM pilot program.⁷² The
20 program was implemented for the primary purpose of conservation and to protect utilities
21 from revenue shortfalls from lower than adopted sales due to conservation from
22 implementation of conservation rate design and conservation programs.⁷³ However, the
23 Commission found that the WRAM pilot program has proven to be ineffective in
24 achieving its primary goal of conservation.⁷⁴ The Commission found that despite having

⁷⁰ Testimony of Keith Switzer at 2.

⁷¹ Testimony of Keith Switzer at 3.

⁷² D. 20-08-047.

⁷³ D. 20-08-047 at 52.

⁷⁴ D. 20-08-047 at 2.

1 an insignificant impact on conservation, the WRAM produced significant impacts on
2 ratepayers' bills, largely in the form of misunderstood surcharges. It was unlikely that
3 the average customer could understand how the WRAM works, consequently, customers
4 were frustrated with multiple rate increases due to the GRC, WRAM/MCBA, and other
5 offsets. As a result, the Commission ordered the WRAM utilities to transition from using
6 the WRAM/Modified Cost Balancing Account (MCBA) and to utilize a Monterey-Style
7 WRAM/Incremental Cost Balancing Account (ICBA) in each utility's next General Rate
8 Case (GRC).⁷⁵ However, new legislation requires the Commission to "*consider*"
9 reinstitution of WRAM in a water utility's GRC,⁷⁶ hence GSWC's request to implement
10 WCAP. Although GSWC has presented a new name for its proposed decoupling
11 mechanism, the WCAP would function nearly identical to the old WRAM, which was
12 eliminated in two prior Commission's decisions (D. 20-08-047 and D. 21-09-047) that
13 the Commission is also currently defending before the California Supreme Court⁷⁷.

14 GSWC presents no evidence that its WCAP is different than the WRAM and that
15 its WCAP would impact water consumption any differently than the old WRAM. Thus,
16 all the reasons for which the Commission disallowed continuation of the old WRAM
17 would also be equally applicable toward WCAP. For example, for all the practical
18 purposes, there is no difference in water consumption patterns between the customers of
19 WRAM and non-WRAM utilities⁷⁸. Similarly, despite WRAM having little direct impact
20 on ratepayers' water consumption, it has had a profound impact on ratepayers' monthly
21 bills. Between 2010 and 2022, GSWC ratepayers have paid a total of \$192 million
22 dollars in WRAM and MCBA related surcharges⁷⁹. Furthermore, the operation of
23 WRAM (and GSWC WCAP) allows utilities to collect the unearned revenues that were
24 once assumed to be necessary, rather than the revenue needed to provide water service.

⁷⁵ Decision 20-08-047 at 72.

⁷⁶ Senate Bill 1469, as amended, codified Section 727.5 of the Public Utilities Code on September 30, 2022.

⁷⁷ Case No. S269099, *Golden State Water Company v. Public Utilities Commission*.

⁷⁸ Cal Advocates witness, Sam Lam's report, Report and Recommendations on Golden State Water Company's General Office Expenses Budget, Conservation Program Budget, Special Request #2 and #3 at P. 6-40.

⁷⁹ Response to DR SLM-010 Q.3 WRAM/MCBA Surcharges and Refunds

1 This allows utilities to not only exceed authorized return without any regulatory oversight
2 for reasonableness, but also enables utilities to receive additional profits at times when
3 the utility is already exceeding its authorized profit.⁸⁰ For these and other reasons as
4 discussed in Cal Advocates witness Sam Lam’s Report and Recommendations on Golden
5 State Water Company’s General Office Expenses Budget, Conservation Program Budget,
6 Special Request #2 and #3, the Commission should deny GSWC’s Special Request #2 to
7 implement WCAP and associated WCRBA and WCCBA.

8 **2) SR#3: Sales Reconciliation Mechanism (SRM)**

9 Under its SR#3, GSWC requests authority to maintain its current Sales
10 Reconciliation Mechanism (SRM), authorized by the Commission in D.19-05-044 and
11 D.23-06-024. The continued authorization of the SRM is problematic because it enables
12 GSWC to modify the sales forecast in between GRCs and thereby significantly modify
13 customer rates outside the GRC process. This is a departure from the Commission’s Rate
14 Case Plan (D. 07-05-062), which provides for significant rate changes only within the
15 GRC proceeding. Ratepayers could also experience multiple rate changes in a single year
16 under the proposed modifications, leading to further confusion and frustration with the
17 GRC’s ratemaking process. In addition, SRM was created to reduce the WRAM
18 balances in the past, as the Commission has now decided to end WRAM, there is no need
19 for continuing SRM. Therefore, the Commission should deny GSWC’s Special Request
20 #3 to maintain its current SRM. For more details, see Cal Advocates witness Sam Lam’s
21 Report and Recommendations on Golden State Water Company’s General Office
22 Expenses Budget, Conservation Program Budget, Special Request #2 and #3.

23 **3) SR#5: Consolidation of Arden Cordova and**
24 **Clearlake for Ratemaking Purposes**

25 Under its SR#5, GSWC requests approval to consolidate its Arden Cordova and
26 Clearlake ratemaking areas (RMAs) into one consolidated Northern District RMA for

⁸⁰ Cal Advocates witness, Sam Lam’s report, Report and Recommendations on Golden State Water Company’s General Office Expenses Budget, Conservation Program Budget, Special Request #2 and #3 at p. 6-43.

1 ratemaking purposes. GSWC’s goal is to implement, after a transition period, a single,
2 combined set of rates for these two areas in the new, consolidated Northern District
3 ratemaking district. Golden State proposes to freeze the metered rates for the existing
4 Clearlake district for the instant GRC cycle as part of its transition to the fully combined
5 rates.⁸¹ GSWC also claims that the consolidation would benefit Clearlake as the shared
6 cost allocations would allow for increased pipeline replacement, which would result in
7 decreased water loss, decreased GHG emissions, and, ultimately, a reduction in the
8 associated impacts of climate change.⁸²

9 Cal Advocates does not oppose GSWC’s request for consolidation. However, as
10 discussed earlier, Cal Advocates expresses concerns to GSWC’s claims that if the
11 Clearlake Systems were to be consolidated as part of a larger ratemaking area, the shared
12 cost allocations would allow for increased pipeline replacement, which would result in
13 decreased water loss.⁸³ The water loss in Arden Cordova is considerably higher than the
14 Commission 7% standard with GSWC’s future estimates approaching 18.37%.⁸⁴
15 Therefore, in order to track the improvements in water loss, the Commission should
16 require GSWC to continue reporting water loss on stand-alone basis for both Arden
17 Cordova and Clearlake CSAs even if the Commission approves the request for
18 consolidation of Arden Cordova and Clearlake for ratemaking purposes.

19 **4) SR#6: Customer Assistance Program and**
20 **Credit/Debit Card Bill Payment (CCPP)**
21 **Expenses Recovery**

22 Under its SR#6, GSWC requests to continue its Credit Card Payment Program
23 (CCPP) and to recover the costs of the program through the Customer Assistance
24 Program Balancing Account. The Customer Assistance Program (CAP) serves to provide
25 a fixed monthly credit on customer bills for income-qualified customers and functions for

⁸¹ GSWC’s Jon Pierotti’s Direct Testimony at pp. 36-37.

⁸² GSWC’s Jon Pierotti’s Direct Testimony at pp. 36-37.

⁸³ GSWC’s Jon Pierotti’s Direct Testimony at pp. 36-37.

⁸⁴ GSWC response to Minimum Data Request (MDR) file: “E.2 Unaccounted Water.pdf.”

1 all of GSWC’s RMAs for qualified customers. These credits, along with the
2 administration costs of the program, are recorded in a CAP Balancing Account and
3 subsequently offset by CAP surcharge revenues funded by non-CAP customers⁸⁵.

4 Assembly Bill (AB) 1058⁸⁶ exempts customers receiving service on the low-
5 income tariff from funding the cost of the CCPP program, so GSWC proposes including
6 the cost of the program in the CAP Balancing Account. Cal Advocates does not oppose
7 GSWC’s Special Request to continue its Credit Card Payment Program and to recover
8 the costs of the program through the Customer Assistance Program Balancing Account.

9 **5) SR#7: Special Fees**

10 Under its SR#7, GSWC requests to increase its Fire Flow Testing fees,
11 Reconnection fees, and Cross Connection Control fees. GSWC also requests approval of
12 a new tariff to implement a new Tampering fee.

13 GSWC’s request to increase the Fire Flow Testing fees, the Reconnection fees,
14 and Cross Connection fees are reasonable, and the Commission should approve these
15 increases.

16 GSWC also requests imposition of a new Tampering fee on unauthorized water
17 resulting from alleged tampering. However, GSWC has failed to show any well-defined
18 process that it plans to use to demonstrate that a ratepayer tampered with equipment. In
19 addition, the costs for reconnection, which would be the logical next step after tampering
20 is found to have resulted in unauthorized use, are already covered by a Reconnection fee.
21 GSWC Tariff Rule 11 allows water utilities to charge for reconnecting water service that
22 has been disconnected due to non-payment or violation of rules.”⁸⁷ Therefore, Cal
23 Advocates recommends that the Commission deny GSWC tampering fee proposal. For

⁸⁵ Wahhab Testimony Power and Revenues SR6 SR7 – APP.pdf, PDF page 17, lines 21-23.

⁸⁶ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1058

⁸⁷ Standard Practice U-28-W: Collecting And Processing User, Connection and Facilities Fees and Late Payment Charges under General Order 96-B, San Francisco, California, June 2006, p. 5.

1 more details, see the Cal Advocates witness Kerrie Evans’ Report on Blanket Items,
2 SR#7, and 2024 Attrition Year Rate Base.

3 **6) SR#8: Modification to PFAS Memorandum**
4 **Account**

5 Under its SR#8, GSWC requests to modify its existing PFAS memorandum
6 account to include capital costs and to apply the full rate of return on that capital. The
7 existing PFAS memorandum account currently tracks operational expenses related to
8 PFAS treatment. The Commission should deny GSWC's proposal to modify the PFAS
9 memorandum account. GSWC does not need a memorandum account to build capital
10 projects. It can build projects it deems necessary for its operations and present them for
11 the Commission’s review in subsequent GRCs for recovery. Furthermore, GSWC's
12 proposed PFAS capital expenditure is sizable. The expenditure should be reviewed
13 within the context of GSWC’s overall capital planning process and not separately through
14 a surcharge account that reduces the transparency in the ratemaking process. In addition,
15 the Commission should deny a full rate of return on the memorandum account, because
16 in a competitive environment a company does not earn a profit during construction. For
17 more details, see Cal Advocates witness Jawad Baki’s Report On SR#1 (balancing and
18 memorandum accounts), SR#8 (modification of pfas memorandum account), taxes other
19 than income (ad valorem taxes), income taxes, depreciation, and working cash.

20 **7) SR#9: Supply Mix Adjustment Mechanism**
21 **(SMAM)**

22 Under its SR#9, GSWC requests approval of a pilot Supply Mix Adjustment
23 Mechanism (SMAM), applicable to its Region II ratemaking area that will adjust the
24 adopted well production volumes in the escalation years if a threshold trigger is met.
25 Under the SMAM, supply costs (purchased power, purchased water, pump taxes and
26 chemical expense) will also be adjusted if the threshold trigger is met. The Commission
27 should deny the SMAM request as it is fundamentally an alternative ratemaking
28 mechanism that shifts risks of sales forecasting from GSWC to ratepayers and may result

1 in increased customer bills with decreased transparency. The SMAM would allow
2 GSWC to implement bill changes outside of the GRC forecasting process based solely
3 upon a variance in well production forecasts. The SMAM is also an example of a single-
4 issue ratemaking which oversimplifies the rate calculation process by looking at a single
5 component (in this case, the difference between water production) as the basis for the
6 recalculation of rates. The SMAM would allow GSWC to increase base rates outside of
7 the GRC's normal forecasting process and would prevent the Commission from
8 examining other aspects of the utility's operation which might otherwise invalidate the
9 need for a rate change. For more details, see Cal Advocates witness Herbert Merida's
10 Report on the Results of Operations, Water Consumption, Revenues, Rate Design and
11 Special Request #9.

12 **G. Issue of Controversy**

13 GSWC identifies that in its previous GRC application, A.20-07-012, GSWC
14 requested that the Commission grant it permission to deviate from the Commission's
15 Rate Case Plan (RCP) for setting year-3 rates to the extent, and only to the extent,
16 necessary to ensure consistency of those components used to compute year-3 rate base
17 and year-3 cost of service that the Internal Revenue Code requires to be consistent in
18 order to satisfy the normalization requirements⁸⁸. In the settlement agreement adopted in
19 D.23-06-024, the Parties agreed that Golden State would seek a private letter ruling
20 (PLR) from the Internal Revenue Service (IRS) to resolve this issue and determine the
21 methodology to be used by Golden State to calculate rate base for the third year of its rate
22 cycle, beginning in 2024⁸⁹. The IRS has responded to the PLR on January 29, 2024, in
23 favor of GSWC. Therefore, pursuant to the settlement agreement, the Commission
24 should allow GSWC to calculate the year-3 rate base in accordance with the IRS' ruling
25 in the PLR. For more details, see Cal Advocates witness Kerrie Evans' Report on
26 Blanket Items, SR#7, and 2024 Attrition Year Rate Base.

⁸⁸ GSWC's Testimony of Wayne McDonalds, p. 16.

⁸⁹ D.23-06-024, Appendix A, pp. 165-167.

Cal Advocates Reports and Witnesses

The following Table ES-5 identifies the various Cal Advocates reports and witnesses that provide analysis and recommendations relevant to the requests made by GSWC in the current proceeding:

Table ES-5: Cal Advocates Reports and Witnesses

Cal Advocates Witness	Report Title
Susana Nasseri	Report and Recommendations On Region I Capital Projects Forecast (Arden Cordova, Bay Point, Clearlake, Los Osos, Santa Maria & Simi Valley)
Cortney Sorensen	Report On Region II Capital Projects Forecast
Sari Ibrahim	Report On Capital Project Cost Estimates and Cost Adders and Region III Capital Projects Forecast, Early Retirements, and RO Model
Chandrika Sharma	Report and Recommendations on Water Quality (SR#4) and Construction-Work-in-Progress
Kerrie Evans	Report On Blanket Items, SR#7, and 2024 Attrition Year Rate Base
Daphne Goldberg	Report and Recommendations on Pipeline Replacement
Herbert Merida	Report on the Results of Operations, Water Consumption, Revenues, Rate Design and Special Request #9
Sam Lam	Report and Recommendations on Golden State Water Company’s General Office Expenses Budget, Conservation Program Budget, Special Request #2 and #3
Justin Menda	Report on the General Office Plant and Cost Adders
Lauren Cunningham	Report On O&M, A&G, Supply Costs, District Labor & Payroll, SR #6, Customer Growth Factor, and Payroll & Local Taxes
Jawad Baki	Report On SR#1 (Balancing and Memorandum Accounts), SR#8 (Modification of PFAs Memorandum Account), Taxes Other Than Income (Ad Valorem Taxes), Income Taxes, Depreciation, and Working Cash
Ama Serwaa	Report and Recommendations on Customer Service, Environmental and Social Justice Action Plan and Robbins Expenses
Eddie Scher	SR#5 Included in Executive Summary
Mehboob Aslam	Project Lead, Executive Summary, Summary of Earnings Tables

RESULTS OF OPERATIONS TABLES

1

2

In developing the following Results of Operations (“RO”) Tables, Cal Advocates

3

utilized the RO Model provided by GSWC. Cal Advocates’ adjustments reflect the

4

recommendations presented in its testimony.

NORTHERN DISTRICT - RESULTS OF OPERATIONS TABLES

**Northern Consolidated District (Arden Cordova + Clearlake)
Golden State Water Company A.23-08-010**

**Table 1-1
Summary of Earnings- Test Year 2025 Present Rates**

Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	19,646,573	21,063,486	4,844,445	18.70%
OPERATING EXPENSES:				
-Purchased Water	870,005	855,407	15,049	1.73%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	1,048,247	1,052,992	8,453	0.80%
-Pump Taxes	66,543	73,552	(6,012)	-8.90%
TOTAL SUPPLY EXPENSES	1,984,795	1,981,951	17,490	0.87%
REVENUE LESS SUPPLY EXPENSES	17,661,778	19,081,535	4,826,956	20.19%
-Chemical	262,809	245,938	27,442	10.04%
-Allocated (GO) Utility Support Services	554,154	525,124	48,329	8.43%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	102,483	72,324	63,476	46.74%
-Operation Labor	1,152,772	1,151,175	28,630	2.43%
-Other Operation Expenses	655,836	655,310	14,241	2.13%
TOTAL OPERATION EXPENSES	4,712,849	4,631,822	199,607	4.13%
-Maintenance Labor	253,249	252,800	6,486	2.50%
-Other Maintenance	373,216	360,142	20,895	5.48%
TOTAL MAINTENANCE EXPENSES	626,464	612,943	27,381	4.28%
TOTAL O&M EXCLUDING A&G	5,339,313	5,244,765	226,988	4.15%
-Office Supplies & Expenses	191,451	167,344	27,539	14.13%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	194,248	193,826	41,623	17.68%
-Pension and Benefits	721,628	721,631	50,329	6.52%
-Business Meals	2,581	2,583	45	1.70%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	108,333	95,811	17,215	15.23%
-Miscellaneous	48,922	48,709	1,369	2.73%
-Allocated GO and District Office	5,226,278	4,512,365	891,017	16.49%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	15,005	14,943	414	2.69%
-Rent	76,684	76,684	3,202	4.01%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	172,802	172,597	4,223	2.39%
TOTAL ADMIN & GENERAL EXPENSES	6,757,933	6,006,493	1,036,975	14.72%
DEPRECIATION AND AMORTIZATION	2,727,835	2,543,776	478,494	15.83%
-Property Taxes	869,398	742,482	254,136	25.50%
-Payroll Taxes	119,594	119,253	3,150	2.57%
-Local Taxes	224,758	241,235	55,021	18.57%
TOTAL TAXES NOT ON INCOME	1,213,750	1,102,970	312,307	22.07%
TOTAL EXPENSES EXCLUDING INCOME TAX	16,038,831	14,898,004	2,054,764	12.12%
NET OP REVENUE BEFORE INCOME TAX	3,607,742	6,165,481	2,789,682	31.15%
-State Income Tax	(15,781)	237,433	169,519	41.66%
-Federal Income Tax	161,225	762,751	433,352	36.23%
TOTAL INCOME TAXES	145,443	1,000,184	602,871	37.61%
TOTAL OPERATING EXPENSES	16,184,275	15,898,188	2,657,635	14.32%
NET OPERATING REVENUE	3,462,298	5,165,298	2,186,810	29.74%
RATE BASE	84,407,660	70,423,574	27,237,328	27.89%
RATE OF RETURN	4.10%	3.32%	2.62%	

**Northern Consolidated District (Arden Cordova + Clearlake)
Golden State Water Company A.23-08-010**

Table 1-2

Summary of Earnings- Test Year 2025 Proposed Rates

Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	23,819,032	21,242,277	2,576,755	10.82%
OPERATING EXPENSES:				
-Purchased Water	870,005	855,407	14,598	1.68%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	1,048,247	1,052,992	(4,744)	-0.45%
-Pump Taxes	66,543	73,552	(7,010)	-10.53%
TOTAL SUPPLY EXPENSES	1,984,795	1,981,951	2,844	0.14%
REVENUE LESS SUPPLY EXPENSES	21,834,237	19,260,327	2,573,910	11.79%
-Chemical	262,809	245,938	16,871	6.42%
-Allocated (GO) Utility Support Services	554,154	525,124	29,030	5.24%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	124,631	74,746	49,885	40.03%
-Operation Labor	1,152,772	1,151,175	1,597	0.14%
-Other Operation Expenses	655,836	655,310	525	0.08%
TOTAL OPERATION EXPENSES	4,734,997	4,634,244	100,753	2.13%
-Maintenance Labor	253,249	252,800	448	0.18%
-Other Maintenance	373,216	360,142	13,073	3.50%
TOTAL MAINTENANCE EXPENSES	626,464	612,943	13,522	2.16%
TOTAL O&M EXCLUDING A&G	5,361,462	5,247,187	114,275	2.13%
-Office Supplies & Expenses	191,451	167,344	24,107	12.59%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	194,248	193,826	423	0.22%
-Pension and Benefits	721,628	721,631	(3)	0.00%
-Business Meals	2,581	2,583	(2)	-0.09%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	108,333	95,811	12,522	11.56%
-Miscellaneous	48,922	48,709	212	0.43%
-Allocated GO and District Office	5,226,278	4,512,365	713,914	13.66%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	15,005	14,943	62	0.41%
-Rent	76,684	76,684	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	172,802	172,597	205	0.12%
TOTAL ADMIN & GENERAL EXPENSES	6,757,933	6,006,493	751,440	11.12%
DEPRECIATION AND AMORTIZATION	2,727,835	2,543,776	184,059	6.75%
-Property Taxes	869,398	742,482	126,916	14.60%
-Payroll Taxes	119,594	119,253	341	0.28%
-Local Taxes	272,663	243,006	29,657	10.88%
TOTAL TAXES NOT ON INCOME	1,261,655	1,104,741	156,913	12.44%
TOTAL EXPENSES EXCLUDING INCOME TAX	16,108,884	14,902,197	1,206,687	7.49%
NET OP REVENUE BEFORE INCOME TAX	7,710,148	6,340,080	1,370,068	17.77%
-State Income Tax	346,871	252,867	94,004	27.10%
-Federal Income Tax	1,008,899	785,585	223,313	22.13%
TOTAL INCOME TAXES	1,355,770	1,038,453	317,318	23.40%
TOTAL OPERATING EXPENSES	17,464,654	15,940,650	1,524,005	8.73%
NET OPERATING REVENUE	6,354,377	5,301,627	1,052,750	16.57%
RATE BASE	84,407,660	70,423,574	13,984,087	16.57%
RATE OF RETURN	7.53%	7.53%		

**Northern Consolidated District (Arden Cordova + Clearlake)
Golden State Water Company A.23-08-010**

Table 1-3

Summary of Earnings- Escalation Year 2026 Present Rates

Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	19,949,945	21,886,202	(1,936,257)	-9.71%
OPERATING EXPENSES:				
-Purchased Water	870,455	855,665	14,790	1.70%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	1,061,445	1,066,709	(5,264)	-0.50%
-Pump Taxes	67,540	74,651	(7,111)	-10.53%
TOTAL SUPPLY EXPENSES	1,999,440	1,997,025	2,415	0.12%
REVENUE LESS SUPPLY EXPENSES	17,950,505	19,889,177	(1,938,671)	-10.80%
-Chemical	273,380	256,135	17,245	6.31%
-Allocated (GO) Utility Support Services	573,453	541,676	31,778	5.54%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	103,949	74,728	29,221	28.11%
-Operation Labor	1,179,805	1,178,133	1,672	0.14%
-Other Operation Expenses	669,552	668,997	554	0.08%
TOTAL OPERATION EXPENSES	4,799,579	4,716,695	82,885	1.73%
-Maintenance Labor	259,287	258,820	467	0.18%
-Other Maintenance	381,037	367,643	13,394	3.52%
TOTAL MAINTENANCE EXPENSES	640,324	626,463	13,860	2.16%
TOTAL O&M EXCLUDING A&G	5,439,903	5,343,158	96,745	1.78%
-Office Supplies & Expenses	194,882	170,327	24,556	12.60%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	235,449	234,792	657	0.28%
-Pension and Benefits	771,960	771,962	(2)	0.00%
-Business Meals	2,628	2,630	(2)	-0.09%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	113,026	99,083	13,944	12.34%
-Miscellaneous	50,078	49,861	217	0.43%
-Allocated GO and District Office	5,403,381	4,707,512	695,870	12.88%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	15,357	15,293	63	0.41%
-Rent	79,886	79,195	691	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	176,820	176,604	216	0.12%
TOTAL ADMIN & GENERAL EXPENSES	7,043,468	6,307,258	736,210	10.45%
DEPRECIATION AND AMORTIZATION	3,022,270	2,589,471	432,799	14.32%
-Property Taxes	996,618	770,579	226,039	22.68%
-Payroll Taxes	122,403	122,051	352	0.29%
-Local Taxes	228,251	250,779	(22,528)	-9.87%
TOTAL TAXES NOT ON INCOME	1,347,272	1,143,409	203,863	15.13%
TOTAL EXPENSES EXCLUDING INCOME TAX	16,852,913	15,383,295	1,469,618	8.72%
NET OP REVENUE BEFORE INCOME TAX	3,097,032	6,502,906	(3,405,874)	-109.97%
-State Income Tax	(110,907)	240,762	(351,669)	317.08%
-Federal Income Tax	(34,470)	820,684	(855,154)	2480.85%
TOTAL INCOME TAXES	(145,377)	1,061,446	(1,206,823)	830.13%
TOTAL OPERATING EXPENSES	16,707,536	16,444,741	262,795	1.57%
NET OPERATING REVENUE	3,242,409	5,441,461	(2,199,051)	-67.82%
RATE BASE	97,660,902	71,565,005	26,095,896	26.72%
RATE OF RETURN	3.32%	7.60%		

**Northern Consolidated District (Arden Cordova + Clearlake)
Golden State Water Company A.23-08-010**

Table 1-4

Summary of Earnings- Escalation Year 2026 Proposed Rates

Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	25,907,931	21,810,255	4,097,676	15.82%
OPERATING EXPENSES:				
-Purchased Water	870,455	855,665	14,790	1.70%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	1,061,445	1,066,709	(5,264)	-0.50%
-Pump Taxes	67,540	74,651	(7,111)	-10.53%
TOTAL SUPPLY EXPENSES	1,999,440	1,997,025	2,415	0.12%
REVENUE LESS SUPPLY EXPENSES	23,908,491	19,813,230	4,095,261	17.13%
-Chemical	273,380	256,135	17,245	6.31%
-Allocated (GO) Utility Support Services	573,453	541,676	31,778	5.54%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	135,800	76,575	59,225	43.61%
-Operation Labor	1,179,805	1,178,133	1,672	0.14%
-Other Operation Expenses	669,552	668,997	554	0.08%
TOTAL OPERATION EXPENSES	4,831,430	4,718,541	112,889	2.34%
-Maintenance Labor	259,287	258,820	467	0.18%
-Other Maintenance	381,037	367,643	13,394	3.52%
TOTAL MAINTENANCE EXPENSES	640,324	626,463	13,860	2.16%
TOTAL O&M EXCLUDING A&G	5,471,754	5,345,004	126,749	2.32%
-Office Supplies & Expenses	194,882	170,327	24,556	12.60%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	235,449	234,792	657	0.28%
-Pension and Benefits	771,960	771,962	(2)	0.00%
-Business Meals	2,628	2,630	(2)	-0.09%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	113,026	99,083	13,944	12.34%
-Miscellaneous	50,078	49,861	217	0.43%
-Allocated GO and District Office	5,403,381	4,707,512	695,870	12.88%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	15,357	15,293	63	0.41%
-Rent	79,886	79,195	691	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	176,820	176,604	216	0.12%
TOTAL ADMIN & GENERAL EXPENSES	7,043,468	6,307,258	736,210	10.45%
DEPRECIATION AND AMORTIZATION	3,022,270	2,589,471	432,799	14.32%
-Property Taxes	996,618	770,579	226,039	22.68%
-Payroll Taxes	122,403	122,051	352	0.29%
-Local Taxes	296,256	249,294	46,962	15.85%
TOTAL TAXES NOT ON INCOME	1,415,277	1,141,924	273,353	19.31%
TOTAL EXPENSES EXCLUDING INCOME TAX	16,952,768	15,383,657	1,569,111	9.26%
NET OP REVENUE BEFORE INCOME TAX	8,955,163	6,426,598	2,528,565	28.24%
-State Income Tax	406,952	234,016	172,935	42.50%
-Federal Income Tax	1,196,103	805,025	391,078	32.70%
TOTAL INCOME TAXES	1,603,055	1,039,041	564,014	35.18%
TOTAL OPERATING EXPENSES	18,555,823	16,422,699	2,133,125	11.50%
NET OPERATING REVENUE	7,352,108	5,387,557	1,964,551	26.72%
RATE BASE	97,660,902	71,565,005	26,095,896	26.72%
RATE OF RETURN	7.53%	7.53%		

BAY POINT - RESULTS OF OPERATIONS TABLES

Bay Point				
Golden State Water Company A.23-08-010				
Table 2-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	7,284,752	7,294,727	(9,975)	-0.14%
OPERATING EXPENSES:				
-Purchased Water	2,930,454	2,930,454	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	94,201	94,265	(64)	-0.07%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,024,655	3,024,719	(64)	0.00%
REVENUE LESS SUPPLY EXPENSES	4,260,097	4,270,008	(9,911)	-0.23%
-Chemical	2,128	2,210	(82)	-3.83%
-Allocated (GO) Utility Support Services	104,840	99,134	5,706	5.44%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	62,372	41,638	20,734	33.24%
-Operation Labor	316,996	316,458	538	0.17%
-Other Operation Expenses	157,228	156,982	246	0.16%
TOTAL OPERATION EXPENSES	3,668,219	3,641,141	27,078	0.74%
-Maintenance Labor	49,912	49,827	85	0.17%
-Other Maintenance	103,596	103,420	176	0.17%
TOTAL MAINTENANCE EXPENSES	153,508	153,248	261	0.17%
TOTAL O&M EXCLUDING A&G	3,821,727	3,794,389	27,338	0.72%
-Office Supplies & Expenses	71,710	55,885	15,825	22.07%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	52,347	52,233	114	0.22%
-Pension and Benefits	127,341	127,328	13	0.01%
-Business Meals	396	395	1	0.17%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,805	6,618	186	2.74%
-Miscellaneous	669	668	1	0.17%
-Allocated GO and District Office	986,208	850,591	135,617	13.75%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	1,853	1,849	3	0.17%
-Rent	30,093	30,093	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	42,843	42,770	73	0.17%
TOTAL ADMIN & GENERAL EXPENSES	1,320,263	1,168,431	151,832	11.50%
DEPRECIATION AND AMORTIZATION	607,366	577,695	29,671	4.89%
-Property Taxes	191,042	175,301	15,741	8.24%
-Payroll Taxes	31,038	30,941	97	0.31%
-Local Taxes	83,230	83,344	(114)	-0.14%
TOTAL TAXES NOT ON INCOME	305,310	289,586	15,723	5.15%
TOTAL EXPENSES EXCLUDING INCOME TAX	6,054,666	5,830,101	224,565	3.71%
NET OP REVENUE BEFORE INCOME TAX	1,230,086	1,464,626	(234,540)	-19.07%
-State Income Tax	35,709	60,071	(24,363)	-68.23%
-Federal Income Tax	112,433	170,308	(57,875)	-51.48%
TOTAL INCOME TAXES	148,141	230,380	(82,238)	-55.51%
TOTAL OPERATING EXPENSES	6,202,808	6,060,481	142,327	2.29%
NET OPERATING REVENUE	1,081,944	1,234,246	(152,302)	-14.08%
RATE BASE	19,755,584	17,883,374	1,872,210	9.48%
RATE OF RETURN	5.48%	6.90%		

Bay Point				
Golden State Water Company A.23-08-010				
Table 2-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	7,874,207	7,457,218	416,989	5.30%
OPERATING EXPENSES:				
-Purchased Water	2,930,454	2,930,454	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	94,201	94,265	(64)	-0.07%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,024,655	3,024,719	(64)	0.00%
REVENUE LESS SUPPLY EXPENSES	4,849,552	4,432,499	417,053	8.60%
-Chemical	2,128	2,210	(82)	-3.83%
-Allocated (GO) Utility Support Services	104,840	99,134	5,706	5.44%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	67,419	42,566	24,853	36.86%
-Operation Labor	316,996	316,458	538	0.17%
-Other Operation Expenses	157,228	156,982	246	0.16%
TOTAL OPERATION EXPENSES	3,673,266	3,642,069	31,197	0.85%
-Maintenance Labor	49,912	49,827	85	0.17%
-Other Maintenance	103,596	103,420	176	0.17%
TOTAL MAINTENANCE EXPENSES	153,508	153,248	261	0.17%
TOTAL O&M EXCLUDING A&G	3,826,774	3,795,316	31,458	0.82%
-Office Supplies & Expenses	71,710	55,885	15,825	22.07%
-Property Insurance	0	0		
-Injuries and Damages	52,347	52,233	114	0.22%
-Pension and Benefits	127,341	127,328	13	0.01%
-Business Meals	396	395	1	0.17%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,805	6,618	186	2.74%
-Miscellaneous	669	668	1	0.17%
-Allocated GO and District Office	986,208	850,591	135,617	13.75%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	1,853	1,849	3	0.17%
-Rent	30,093	30,093	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	42,843	42,770	73	0.17%
TOTAL ADMIN & GENERAL EXPENSES	1,320,263	1,168,431	151,832	11.50%
DEPRECIATION AND AMORTIZATION	607,366	577,695	29,671	4.89%
-Property Taxes	191,042	175,301	15,741	8.24%
-Payroll Taxes	31,038	30,941	97	0.31%
-Local Taxes	89,964	85,200	4,764	5.30%
TOTAL TAXES NOT ON INCOME	312,045	291,443	20,602	6.60%
TOTAL EXPENSES EXCLUDING INCOME TAX	6,066,448	5,832,885	233,563	3.85%
NET OP REVENUE BEFORE INCOME TAX	1,807,759	1,624,332	183,427	10.15%
-State Income Tax	86,775	74,190	12,585	14.50%
-Federal Income Tax	233,744	203,847	29,898	12.79%
TOTAL INCOME TAXES	320,519	278,036	42,483	13.25%
TOTAL OPERATING EXPENSES	6,386,967	6,110,921	276,045	4.32%
NET OPERATING REVENUE	1,487,240	1,346,296	140,944	9.48%
RATE BASE	19,755,584	17,883,374	1,872,210	9.48%
RATE OF RETURN	7.53%	7.53%		

Bay Point				
Golden State Water Company A.23-08-010				
Table 2-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	7,295,773	7,375,267	(79,494)	-1.09%
OPERATING EXPENSES:				
-Purchased Water	2,930,454	2,930,454	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	94,298	94,363	(65)	-0.07%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,024,752	3,024,817	(65)	0.00%
REVENUE LESS SUPPLY EXPENSES	4,271,021	4,350,450	(79,429)	-1.86%
-Chemical	2,295	2,380	(85)	-3.71%
-Allocated (GO) Utility Support Services	108,491	102,259	6,232	5.74%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	62,466	42,098	20,368	32.61%
-Operation Labor	324,521	323,970	551	0.17%
-Other Operation Expenses	160,519	160,268	251	0.16%
TOTAL OPERATION EXPENSES	3,683,044	3,655,792	27,252	0.74%
-Maintenance Labor	51,097	51,010	87	0.17%
-Other Maintenance	105,765	105,585	179	0.17%
TOTAL MAINTENANCE EXPENSES	156,862	156,595	266	0.17%
TOTAL O&M EXCLUDING A&G	3,839,906	3,812,388	27,518	0.72%
-Office Supplies & Expenses	73,211	57,055	16,156	22.07%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	63,450	63,273	177	0.28%
-Pension and Benefits	132,991	132,978	13	0.01%
-Business Meals	404	404	1	0.17%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	7,089	6,835	254	3.58%
-Miscellaneous	683	682	1	0.17%
-Allocated GO and District Office	1,019,634	887,373	132,261	12.97%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	1,891	1,888	3	0.17%
-Rent	31,349	31,078	271	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	43,860	43,786	74	0.17%
TOTAL ADMIN & GENERAL EXPENSES	1,374,564	1,225,352	149,211	10.86%
DEPRECIATION AND AMORTIZATION	652,312	586,868	65,444	10.03%
-Property Taxes	210,871	179,609	31,263	14.83%
-Payroll Taxes	31,775	31,676	99	0.31%
-Local Taxes	83,356	84,264	(908)	-1.09%
TOTAL TAXES NOT ON INCOME	326,002	295,548	30,454	9.34%
TOTAL EXPENSES EXCLUDING INCOME TAX	6,192,783	5,920,156	272,627	4.40%
NET OP REVENUE BEFORE INCOME TAX	1,102,990	1,455,111	(352,121)	-31.92%
-State Income Tax	14,949	53,577	(38,628)	-258.41%
-Federal Income Tax	69,494	163,902	(94,407)	-135.85%
TOTAL INCOME TAXES	84,443	217,479	(133,036)	-157.54%
TOTAL OPERATING EXPENSES	6,277,226	6,137,635	139,591	2.22%
NET OPERATING REVENUE	1,018,547	1,237,632	(219,086)	-21.51%
RATE BASE	21,934,719	18,065,503	3,869,215	17.64%
RATE OF RETURN	4.64%	6.85%		

Bay Point				
Golden State Water Company A.23-08-010				
Table 2-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	8,216,023	7,552,730	663,293	8.07%
OPERATING EXPENSES:				
-Purchased Water	2,930,454	2,930,454	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	94,298	94,363	(65)	-0.07%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,024,752	3,024,817	(65)	0.00%
REVENUE LESS SUPPLY EXPENSES	5,191,271	4,527,913	663,358	12.78%
-Chemical	2,295	2,380	(85)	-3.71%
-Allocated (GO) Utility Support Services	108,491	102,259	6,232	5.74%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	70,345	43,111	27,234	38.72%
-Operation Labor	324,521	323,970	551	0.17%
-Other Operation Expenses	160,519	160,268	251	0.16%
TOTAL OPERATION EXPENSES	3,690,923	3,656,805	34,118	0.92%
-Maintenance Labor	51,097	51,010	87	0.17%
-Other Maintenance	105,765	105,585	179	0.17%
TOTAL MAINTENANCE EXPENSES	156,862	156,595	266	0.17%
TOTAL O&M EXCLUDING A&G	3,847,785	3,813,401	34,384	0.89%
-Office Supplies & Expenses	73,211	57,055	16,156	22.07%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	63,450	63,273	177	0.28%
-Pension and Benefits	132,991	132,978	13	0.01%
-Business Meals	404	404	1	0.17%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	7,089	6,835	254	3.58%
-Miscellaneous	683	682	1	0.17%
-Allocated GO and District Office	1,019,634	887,373	132,261	12.97%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	1,891	1,888	3	0.17%
-Rent	31,349	31,078	271	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	43,860	43,786	74	0.17%
TOTAL ADMIN & GENERAL EXPENSES	1,374,564	1,225,352	149,211	10.86%
DEPRECIATION AND AMORTIZATION	652,312	586,868	65,444	10.03%
-Property Taxes	210,871	179,609	31,263	14.83%
-Payroll Taxes	31,775	31,676	99	0.31%
-Local Taxes	93,870	86,292	7,578	8.07%
TOTAL TAXES NOT ON INCOME	336,516	297,576	38,940	11.57%
TOTAL EXPENSES EXCLUDING INCOME TAX	6,211,176	5,923,197	287,980	4.64%
NET OP REVENUE BEFORE INCOME TAX	2,004,847	1,629,534	375,313	18.72%
-State Income Tax	94,673	68,996	25,677	27.12%
-Federal Income Tax	258,884	200,531	58,354	22.54%
TOTAL INCOME TAXES	353,557	269,527	84,031	23.77%
TOTAL OPERATING EXPENSES	6,564,734	6,192,723	372,010	5.67%
NET OPERATING REVENUE	1,651,289	1,360,007	291,282	17.64%
RATE BASE	21,934,719	18,065,503	3,869,215	17.64%
RATE OF RETURN	7.53%	7.53%		

LOS OSOS - RESULTS OF OPERATIONS TABLES

Los Osos				
Golden State Water Company A.23-08-010				
Table 3-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	4,706,760	4,833,851	(127,091)	-2.70%
OPERATING EXPENSES:				
-Purchased Water	0	0	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	245,371	251,296	(5,925)	-2.41%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	245,371	251,296	(5,925)	-2.41%
REVENUE LESS SUPPLY EXPENSES	4,461,389	4,582,555	(121,166)	-2.72%
-Chemical	21,843	22,683	(840)	-3.84%
-Allocated (GO) Utility Support Services	57,662	54,596	3,066	5.32%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	7,352	5,034	2,318	31.53%
-Operation Labor	296,166	295,870	296	0.10%
-Other Operation Expenses	499,275	498,790	485	0.10%
TOTAL OPERATION EXPENSES	1,127,669	1,128,269	(599)	-0.05%
-Maintenance Labor	30,616	30,586	31	0.10%
-Other Maintenance	179,089	178,910	179	0.10%
TOTAL MAINTENANCE EXPENSES	209,706	209,496	209	0.10%
TOTAL O&M EXCLUDING A&G	1,337,375	1,337,765	(390)	-0.03%
-Office Supplies & Expenses	83,153	76,030	7,123	8.57%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	55,320	55,200	120	0.22%
-Pension and Benefits	122,533	122,525	8	0.01%
-Business Meals	1,302	1,301	1	0.10%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	7,940	7,727	212	2.67%
-Miscellaneous	1,406	1,404	1	0.10%
-Allocated GO and District Office	537,085	463,581	73,504	13.69%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	15,967	14,538	1,429	8.95%
-Rent	0	0	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	76,935	76,858	77	0.10%
TOTAL ADMIN & GENERAL EXPENSES	901,640	819,164	82,476	9.15%
DEPRECIATION AND AMORTIZATION	866,439	741,953	124,486	14.37%
-Property Taxes	217,963	182,005	35,958	16.50%
-Payroll Taxes	30,581	30,507	74	0.24%
-Local Taxes	-	-	-	-
TOTAL TAXES NOT ON INCOME	248,544	212,512	36,032	14.50%
TOTAL EXPENSES EXCLUDING INCOME TAX	3,353,998	3,111,394	242,604	7.23%
NET OP REVENUE BEFORE INCOME TAX	1,352,762	1,722,457	(369,695)	-27.33%
-State Income Tax	42,148	84,789	(42,641)	-101.17%
-Federal Income Tax	121,324	222,620	(101,295)	-83.49%
TOTAL INCOME TAXES	163,473	307,409	(143,936)	-88.05%
TOTAL OPERATING EXPENSES	3,517,471	3,418,803	98,668	2.81%
NET OPERATING REVENUE	1,189,289	1,415,048	(225,759)	-18.98%
RATE BASE	25,966,473	20,829,034	5,137,439	19.78%
RATE OF RETURN	4.58%	6.79%	-	-

Los Osos				
Golden State Water Company A.23-08-010				
Table 3-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	5,799,572	5,052,156	747,416	12.89%
OPERATING EXPENSES:				
-Purchased Water	0	0	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	245,371	251,296	(5,925)	-2.41%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	245,371	251,296	(5,925)	-2.41%
REVENUE LESS SUPPLY EXPENSES	5,554,201	4,800,859	753,341	13.56%
-Chemical	21,843	22,683	(840)	-3.84%
-Allocated (GO) Utility Support Services	57,662	54,596	3,066	5.32%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	9,060	5,261	3,798	41.92%
-Operation Labor	296,166	295,870	296	0.10%
-Other Operation Expenses	499,275	498,790	485	0.10%
TOTAL OPERATION EXPENSES	1,129,376	1,128,496	880	0.08%
-Maintenance Labor	30,616	30,586	31	0.10%
-Other Maintenance	179,089	178,910	179	0.10%
TOTAL MAINTENANCE EXPENSES	209,706	209,496	209	0.10%
TOTAL O&M EXCLUDING A&G	1,339,082	1,337,992	1,090	0.08%
-Office Supplies & Expenses	83,153	76,030	7,123	8.57%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	55,320	55,200	120	0.22%
-Pension and Benefits	122,533	122,525	8	0.01%
-Business Meals	1,302	1,301	1	0.10%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	7,940	7,727	212	2.67%
-Miscellaneous	1,406	1,404	1	0.10%
-Allocated GO and District Office	537,085	463,581	73,504	13.69%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	15,967	14,538	1,429	8.95%
-Rent	0	0	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	76,935	76,858	77	0.10%
TOTAL ADMIN & GENERAL EXPENSES	901,640	819,164	82,476	9.15%
DEPRECIATION AND AMORTIZATION	866,439	741,953	124,486	14.37%
-Property Taxes	217,963	182,005	35,958	16.50%
-Payroll Taxes	30,581	30,507	74	0.24%
-Local Taxes				
TOTAL TAXES NOT ON INCOME	248,544	212,512	36,032	14.50%
TOTAL EXPENSES EXCLUDING INCOME TAX	3,355,706	3,111,622	244,084	7.27%
NET OP REVENUE BEFORE INCOME TAX	2,443,866	1,940,534	503,332	20.60%
-State Income Tax	138,602	104,067	34,535	24.92%
-Federal Income Tax	350,456	268,416	82,040	23.41%
TOTAL INCOME TAXES	489,058	372,483	116,575	23.84%
TOTAL OPERATING EXPENSES	3,844,764	3,484,105	360,659	9.38%
NET OPERATING REVENUE	1,954,808	1,568,051	386,757	19.78%
RATE BASE	25,966,473	20,829,034	5,137,439	19.78%
RATE OF RETURN	7.53%	7.53%		

Los Osos				
Golden State Water Company A.23-08-010				
Table 3-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	4,704,081	4,907,601	(203,520)	-4.33%
OPERATING EXPENSES:				
-Purchased Water	0	0	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	245,271	251,228	(5,956)	-2.43%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	245,271	251,228	(5,956)	-2.43%
REVENUE LESS SUPPLY EXPENSES	4,458,810	4,656,374	(197,564)	-4.43%
-Chemical	22,245	23,105	(860)	-3.87%
-Allocated (GO) Utility Support Services	59,670	56,316	3,354	5.62%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	7,348	5,111	2,237	30.45%
-Operation Labor	302,984	302,681	303	0.10%
-Other Operation Expenses	509,370	508,875	495	0.10%
TOTAL OPERATION EXPENSES	1,146,888	1,147,316	(428)	-0.04%
-Maintenance Labor	31,321	31,290	31	0.10%
-Other Maintenance	182,710	182,528	183	0.10%
TOTAL MAINTENANCE EXPENSES	214,032	213,818	214	0.10%
TOTAL O&M EXCLUDING A&G	1,360,920	1,361,134	(214)	-0.02%
-Office Supplies & Expenses	84,834	77,567	7,267	8.57%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	67,054	66,867	187	0.28%
-Pension and Benefits	133,525	133,517	9	0.01%
-Business Meals	1,328	1,327	1	0.10%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	8,265	7,975	290	3.51%
-Miscellaneous	1,434	1,433	1	0.10%
-Allocated GO and District Office	552,794	483,036	69,757	12.62%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	16,289	14,832	1,458	8.95%
-Rent	0	0	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	78,707	78,628	79	0.10%
TOTAL ADMIN & GENERAL EXPENSES	944,231	865,181	79,050	8.37%
DEPRECIATION AND AMORTIZATION	928,765	751,153	177,612	19.12%
-Property Taxes	238,778	184,572	54,206	22.70%
-Payroll Taxes	31,285	31,209	76	0.24%
-Local Taxes	-	-	-	-
TOTAL TAXES NOT ON INCOME	270,063	215,782	54,281	20.10%
TOTAL EXPENSES EXCLUDING INCOME TAX	3,503,978	3,193,250	310,729	8.87%
NET OP REVENUE BEFORE INCOME TAX	1,200,103	1,714,352	(514,249)	-42.85%
-State Income Tax	23,987	83,019	(59,031)	-246.09%
-Federal Income Tax	68,549	216,034	(147,485)	-215.15%
TOTAL INCOME TAXES	92,537	299,053	(206,516)	-223.17%
TOTAL OPERATING EXPENSES	3,596,515	3,492,303	104,212	2.90%
NET OPERATING REVENUE	1,107,566	1,415,298	(307,732)	-27.78%
RATE BASE	27,896,812	20,896,094	7,000,719	25.10%
RATE OF RETURN	3.97%	6.77%		

Los Osos				
Golden State Water Company A.23-08-010				
Table 3-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	6,121,006	5,132,752	988,254	16.15%
OPERATING EXPENSES:				
-Purchased Water	0	0	0	0.00%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	245,271	251,228	(5,956)	-2.43%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	245,271	251,228	(5,956)	-2.43%
REVENUE LESS SUPPLY EXPENSES	5,875,735	4,881,524	994,211	16.92%
-Chemical	22,245	23,105	(860)	-3.87%
-Allocated (GO) Utility Support Services	59,670	56,316	3,354	5.62%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	9,562	5,345	4,216	44.10%
-Operation Labor	302,984	302,681	303	0.10%
-Other Operation Expenses	509,370	508,875	495	0.10%
TOTAL OPERATION EXPENSES	1,149,102	1,147,551	1,551	0.13%
-Maintenance Labor	31,321	31,290	31	0.10%
-Other Maintenance	182,710	182,528	183	0.10%
TOTAL MAINTENANCE EXPENSES	214,032	213,818	214	0.10%
TOTAL O&M EXCLUDING A&G	1,363,133	1,361,369	1,765	0.13%
-Office Supplies & Expenses	84,834	77,567	7,267	8.57%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	67,054	66,867	187	0.28%
-Pension and Benefits	133,525	133,517	9	0.01%
-Business Meals	1,328	1,327	1	0.10%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	8,265	7,975	290	3.51%
-Miscellaneous	1,434	1,433	1	0.10%
-Allocated GO and District Office	552,794	483,036	69,757	12.62%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	16,289	14,832	1,458	8.95%
-Rent	0	0	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	78,707	78,628	79	0.10%
TOTAL ADMIN & GENERAL EXPENSES	944,231	865,181	79,050	8.37%
DEPRECIATION AND AMORTIZATION	928,765	751,153	177,612	19.12%
-Property Taxes	238,778	184,572	54,206	22.70%
-Payroll Taxes	31,285	31,209	76	0.24%
-Local Taxes	0	0	0	0.00%
TOTAL TAXES NOT ON INCOME	270,063	215,782	54,281	20.10%
TOTAL EXPENSES EXCLUDING INCOME TAX	3,506,192	3,193,484	312,708	8.92%
NET OP REVENUE BEFORE INCOME TAX	2,614,815	1,939,268	675,547	25.84%
-State Income Tax	149,048	102,901	46,147	30.96%
-Federal Income Tax	365,639	263,267	102,372	28.00%
TOTAL INCOME TAXES	514,687	366,168	148,519	28.86%
TOTAL OPERATING EXPENSES	4,020,879	3,559,652	461,226	11.47%
NET OPERATING REVENUE	2,100,128	1,573,100	527,028	25.10%
RATE BASE	27,896,812	20,896,094	7,000,719	25.10%
RATE OF RETURN	7.53%	7.53%		

SANTA MARIA - RESULTS OF OPERATIONS TABLES

Santa Maria				
Golden State Water Company A.23-08-010				
Table 4-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	15,891,331	16,893,057	(1,001,726)	-6.30%
OPERATING EXPENSES:				
-Purchased Water	708,624	821,548	(112,924)	-15.94%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	2,349,588	2,523,990	(174,403)	-7.42%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,058,212	3,345,538	(287,327)	-9.40%
REVENUE LESS SUPPLY EXPENSES	12,833,119	13,547,519	(714,400)	-5.57%
-Chemical	80,068	87,737	(7,669)	-9.58%
-Allocated (GO) Utility Support Services	294,301	278,725	15,575	5.29%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	31,453	22,291	9,163	29.13%
-Operation Labor	977,057	971,036	6,020	0.62%
-Other Operation Expenses	636,108	626,833	9,275	1.46%
TOTAL OPERATION EXPENSES	5,077,198	5,332,161	(254,962)	-5.02%
-Maintenance Labor	81,051	80,552	499	0.62%
-Other Maintenance	328,165	326,143	2,022	0.62%
TOTAL MAINTENANCE EXPENSES	409,216	406,694	2,522	0.62%
TOTAL O&M EXCLUDING A&G	5,486,414	5,738,855	(252,441)	-4.60%
-Office Supplies & Expenses	132,811	112,219	20,592	15.50%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	129,470	129,188	282	0.22%
-Pension and Benefits	390,019	389,900	119	0.03%
-Business Meals	1,637	1,627	10	0.62%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	153,350	148,483	4,867	3.17%
-Miscellaneous	324	322	2	0.62%
-Allocated GO and District Office	2,735,059	2,350,510	384,549	14.06%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	29,397	29,216	181	0.62%
-Rent	110,537	110,537	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	138,918	138,062	856	0.62%
TOTAL ADMIN & GENERAL EXPENSES	3,821,521	3,410,062	411,458	10.77%
DEPRECIATION AND AMORTIZATION	2,518,084	2,185,429	332,655	13.21%
-Property Taxes	846,634	727,047	119,587	14.12%
-Payroll Taxes	90,673	89,986	687	0.76%
-Local Taxes	133	142	(8)	-6.30%
TOTAL TAXES NOT ON INCOME	937,440	817,175	120,266	12.83%
TOTAL EXPENSES EXCLUDING INCOME TAX	12,763,459	12,151,521	611,938	4.79%
NET OP REVENUE BEFORE INCOME TAX	3,127,872	4,741,536	(1,613,665)	-51.59%
-State Income Tax	(11,836)	163,038	(174,873)	1477.52%
-Federal Income Tax	104,491	519,914	(415,423)	-397.57%
TOTAL INCOME TAXES	92,655	682,952	(590,297)	-637.09%
TOTAL OPERATING EXPENSES	12,856,114	12,834,473	21,641	0.17%
NET OPERATING REVENUE	3,035,217	4,058,585	(1,023,368)	-33.72%
RATE BASE	87,686,402	71,063,404	16,622,998	18.96%
RATE OF RETURN	3.46%	5.71%		

Santa Maria				
Golden State Water Company A.23-08-010				
Table 4-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	20,984,109	18,735,884	2,248,225	10.71%
OPERATING EXPENSES:				
-Purchased Water	708,624	821,548	(112,924)	-15.94%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	2,349,588	2,523,990	(174,403)	-7.42%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,058,212	3,345,538	(287,327)	-9.40%
REVENUE LESS SUPPLY EXPENSES	17,925,897	15,390,346	2,535,551	14.14%
-Chemical	80,068	87,737	(7,669)	-9.58%
-Allocated (GO) Utility Support Services	294,301	278,725	15,575	5.29%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	41,533	24,722	16,811	40.48%
-Operation Labor	977,057	971,036	6,020	0.62%
-Other Operation Expenses	636,108	626,833	9,275	1.46%
TOTAL OPERATION EXPENSES	5,087,278	5,334,592	(247,314)	-4.86%
-Maintenance Labor	81,051	80,552	499	0.62%
-Other Maintenance	328,165	326,143	2,022	0.62%
TOTAL MAINTENANCE EXPENSES	409,216	406,694	2,522	0.62%
TOTAL O&M EXCLUDING A&G	5,496,494	5,741,287	(244,793)	-4.45%
-Office Supplies & Expenses	132,811	112,219	20,592	15.50%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	129,470	129,188	282	0.22%
-Pension and Benefits	390,019	389,900	119	0.03%
-Business Meals	1,637	1,627	10	0.62%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	153,350	148,483	4,867	3.17%
-Miscellaneous	324	322	2	0.62%
-Allocated GO and District Office	2,735,059	2,350,510	384,549	14.06%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	29,397	29,216	181	0.62%
-Rent	110,537	110,537	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	138,918	138,062	856	0.62%
TOTAL ADMIN & GENERAL EXPENSES	3,821,521	3,410,062	411,458	10.77%
DEPRECIATION AND AMORTIZATION	2,518,084	2,185,429	332,655	13.21%
-Property Taxes	846,634	727,047	119,587	14.12%
-Payroll Taxes	90,673	89,986	687	0.76%
-Local Taxes	176	157	19	10.71%
TOTAL TAXES NOT ON INCOME	937,483	817,190	120,293	12.83%
TOTAL EXPENSES EXCLUDING INCOME TAX	12,773,582	12,153,968	619,614	4.85%
NET OP REVENUE BEFORE INCOME TAX	8,210,527	6,581,916	1,628,610	19.84%
-State Income Tax	437,471	325,727	111,744	25.54%
-Federal Income Tax	1,171,848	906,394	265,454	22.65%
TOTAL INCOME TAXES	1,609,319	1,232,121	377,198	23.44%
TOTAL OPERATING EXPENSES	14,382,901	13,386,089	996,812	6.93%
NET OPERATING REVENUE	6,601,208	5,349,795	1,251,413	18.96%
RATE BASE	87,686,402	71,063,404	16,622,998	18.96%
RATE OF RETURN	7.53%	7.53%		

Santa Maria				
Golden State Water Company A.23-08-010				
Table 4-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	16,002,405	17,472,900	(1,470,495)	-9.19%
OPERATING EXPENSES:				
-Purchased Water	708,624	821,548	(112,924)	-15.94%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	2,362,866	2,538,554	(175,688)	-7.44%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,071,490	3,360,102	(288,612)	-9.40%
REVENUE LESS SUPPLY EXPENSES	12,930,915	14,112,799	(1,181,883)	-9.14%
-Chemical	82,197	90,070	(7,874)	-9.58%
-Allocated (GO) Utility Support Services	304,550	287,511	17,040	5.60%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	31,673	23,056	8,617	27.21%
-Operation Labor	1,004,743	998,552	6,191	0.62%
-Other Operation Expenses	652,341	642,829	9,511	1.46%
TOTAL OPERATION EXPENSES	5,146,994	5,402,120	(255,126)	-4.96%
-Maintenance Labor	83,348	82,834	514	0.62%
-Other Maintenance	336,539	334,466	2,074	0.62%
TOTAL MAINTENANCE EXPENSES	419,887	417,300	2,587	0.62%
TOTAL O&M EXCLUDING A&G	5,566,881	5,819,420	(252,539)	-4.54%
-Office Supplies & Expenses	136,200	115,083	21,117	15.50%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	156,930	156,493	438	0.28%
-Pension and Benefits	421,484	421,362	122	0.03%
-Business Meals	1,678	1,668	10	0.62%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	160,473	154,035	6,438	4.01%
-Miscellaneous	332	330	2	0.62%
-Allocated GO and District Office	2,815,121	2,449,137	365,984	13.00%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	30,147	29,961	186	0.62%
-Rent	115,671	114,670	1,001	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	142,854	141,974	880	0.62%
TOTAL ADMIN & GENERAL EXPENSES	3,980,892	3,584,713	396,179	9.95%
DEPRECIATION AND AMORTIZATION	2,763,265	2,210,836	552,429	19.99%
-Property Taxes	958,718	751,040	207,678	21.66%
-Payroll Taxes	93,242	92,536	706	0.76%
-Local Taxes	134	147	(12)	-9.19%
TOTAL TAXES NOT ON INCOME	1,052,095	843,723	208,372	19.81%
TOTAL EXPENSES EXCLUDING INCOME TAX	13,363,133	12,458,692	904,441	6.77%
NET OP REVENUE BEFORE INCOME TAX	2,639,273	5,014,208	(2,374,936)	-89.98%
-State Income Tax	(87,122)	172,433	(259,555)	297.92%
-Federal Income Tax	(82,354)	557,702	(640,056)	777.20%
TOTAL INCOME TAXES	(169,476)	730,135	(899,611)	530.82%
TOTAL OPERATING EXPENSES	13,193,656	13,188,827	4,829	0.04%
NET OPERATING REVENUE	2,808,749	4,284,073	(1,475,324)	-52.53%
RATE BASE	97,455,913	71,865,031	25,590,882	26.26%
RATE OF RETURN	2.88%	5.96%		

Santa Maria				
Golden State Water Company A.23-08-010				
Table 4-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	22,468,974	19,080,037	3,388,937	15.08%
			-	
			-	
OPERATING EXPENSES:			-	
-Purchased Water	708,624	821,548	(112,924)	-15.94%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	2,362,866	2,538,554	(175,688)	-7.44%
-Pump Taxes	0	0	0	0.00%
TOTAL SUPPLY EXPENSES	3,071,490	3,360,102	(288,612)	-9.40%
REVENUE LESS SUPPLY EXPENSES	19,397,485	15,719,936	3,677,549	18.96%
-Chemical	82,197	90,070	(7,874)	-9.58%
-Allocated (GO) Utility Support Services	304,550	287,511	17,040	5.60%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	44,472	25,176	19,296	43.39%
-Operation Labor	1,004,743	998,552	6,191	0.62%
-Other Operation Expenses	652,341	642,829	9,511	1.46%
TOTAL OPERATION EXPENSES	5,159,793	5,404,241	(244,448)	-4.74%
-Maintenance Labor	83,348	82,834	514	0.62%
-Other Maintenance	336,539	334,466	2,074	0.62%
TOTAL MAINTENANCE EXPENSES	419,887	417,300	2,587	0.62%
TOTAL O&M EXCLUDING A&G	5,579,680	5,821,540	(241,861)	-4.33%
-Office Supplies & Expenses	136,200	115,083	21,117	15.50%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	156,930	156,493	438	0.28%
-Pension and Benefits	421,484	421,362	122	0.03%
-Business Meals	1,678	1,668	10	0.62%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	160,473	154,035	6,438	4.01%
-Miscellaneous	332	330	2	0.62%
-Allocated GO and District Office	2,815,121	2,449,137	365,984	13.00%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	30,147	29,961	186	0.62%
-Rent	115,671	114,670	1,001	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	142,854	141,974	880	0.62%
TOTAL ADMIN & GENERAL EXPENSES	3,980,892	3,584,713	396,179	9.95%
DEPRECIATION AND AMORTIZATION	2,763,265	2,210,836	552,429	19.99%
-Property Taxes	958,718	751,040	207,678	21.66%
-Payroll Taxes	93,242	92,536	706	0.76%
-Local Taxes	189	160	28	15.08%
TOTAL TAXES NOT ON INCOME	1,052,149	843,736	208,413	19.81%
TOTAL EXPENSES EXCLUDING INCOME TAX	13,375,986	12,460,826	915,160	6.84%
NET OP REVENUE BEFORE INCOME TAX	9,092,988	6,619,211	2,473,777	27.21%
-State Income Tax	483,387	314,315	169,071	34.98%
-Federal Income Tax	1,272,926	894,753	378,173	29.71%
TOTAL INCOME TAXES	1,756,312	1,209,068	547,244	31.16%
TOTAL OPERATING EXPENSES	15,132,298	13,669,894	1,462,404	9.66%
NET OPERATING REVENUE	7,336,676	5,410,143	1,926,533	26.26%
RATE BASE	97,455,913	71,865,031	25,590,882	26.26%
RATE OF RETURN	7.53%	7.53%		

SIMI VALLEY - RESULTS OF OPERATIONS TABLES

Simi Valley				
Golden State Water Company A.23-08-010				
Table 5-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	15,470,812	16,546,798	(1,075,986)	-6.95%
OPERATING EXPENSES:				
-Purchased Water	8,901,168	9,898,607	(997,439)	-11.21%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	341,122	360,973	(19,851)	-5.82%
-Pump Taxes	100	100	0	0.00%
TOTAL SUPPLY EXPENSES	9,242,390	10,259,679	(1,017,289)	-11.01%
REVENUE LESS SUPPLY EXPENSES	6,228,422	6,287,119	(58,697)	-0.94%
-Chemical	0	0	0	0.00%
-Allocated (GO) Utility Support Services	289,808	274,415	15,393	5.31%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	55,573	39,625	15,948	28.70%
-Operation Labor	442,062	439,644	2,418	0.55%
-Other Operation Expenses	240,421	231,381	9,040	3.76%
TOTAL OPERATION EXPENSES	10,270,254	11,244,745	(974,491)	-9.49%
-Maintenance Labor	54,673	54,374	299	0.55%
-Other Maintenance	156,002	155,148	853	0.55%
TOTAL MAINTENANCE EXPENSES	210,674	209,522	1,152	0.55%
TOTAL O&M EXCLUDING A&G	10,480,929	11,454,267	(973,338)	-9.29%
-Office Supplies & Expenses	95,408	89,024	6,384	6.69%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	61,264	61,131	133	0.22%
-Pension and Benefits	166,616	166,580	36	0.02%
-Business Meals	861	856	5	0.55%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,195	6,003	192	3.11%
-Miscellaneous	5,844	5,812	32	0.55%
-Allocated GO and District Office	2,692,953	2,313,279	379,675	14.10%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	20,741	20,627	113	0.55%
-Rent	75,882	75,882	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	97,513	96,980	533	0.55%
TOTAL ADMIN & GENERAL EXPENSES	3,223,277	2,836,173	387,104	12.01%
DEPRECIATION AND AMORTIZATION	1,010,283	953,855	56,428	5.59%
-Property Taxes	291,389	248,591	42,798	14.69%
-Payroll Taxes	45,013	44,703	310	0.69%
-Local Taxes	163,380	174,743	(11,363)	-6.95%
TOTAL TAXES NOT ON INCOME	499,782	468,037	31,745	6.35%
TOTAL EXPENSES EXCLUDING INCOME TAX	15,214,270	15,712,332	(498,062)	-3.27%
NET OP REVENUE BEFORE INCOME TAX	256,542	834,466	(577,924)	-225.27%
-State Income Tax	(103,799)	(45,446)	(58,353)	56.22%
-Federal Income Tax	(157,109)	(18,487)	(138,622)	88.23%
TOTAL INCOME TAXES	(260,908)	(63,933)	(196,975)	75.50%
TOTAL OPERATING EXPENSES	14,953,362	15,648,398	(695,037)	-4.65%
NET OPERATING REVENUE	517,450	898,400	(380,950)	-73.62%
RATE BASE	30,120,924	26,373,632	3,747,292	12.44%
RATE OF RETURN	1.72%	3.41%		

Simi Valley				
Golden State Water Company A.23-08-010				
Table 5-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	18,001,082	18,116,536	(115,454)	-0.64%
OPERATING EXPENSES:				
-Purchased Water	8,901,168	9,898,607	(997,439)	-11.21%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	341,122	360,973	(19,851)	-5.82%
-Pump Taxes	100	100	0	0.00%
TOTAL SUPPLY EXPENSES	9,242,390	10,259,679	(1,017,289)	-11.01%
REVENUE LESS SUPPLY EXPENSES	8,758,692	7,856,857	901,835	10.30%
-Chemical	0	0	0	0.00%
-Allocated (GO) Utility Support Services	289,808	274,415	15,393	5.31%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	64,662	43,385	21,278	32.91%
-Operation Labor	442,062	439,644	2,418	0.55%
-Other Operation Expenses	240,421	231,381	9,040	3.76%
TOTAL OPERATION EXPENSES	10,279,343	11,248,504	(969,161)	-9.43%
-Maintenance Labor	54,673	54,374	299	0.55%
-Other Maintenance	156,002	155,148	853	0.55%
TOTAL MAINTENANCE EXPENSES	210,674	209,522	1,152	0.55%
TOTAL O&M EXCLUDING A&G	10,490,018	11,458,026	(968,009)	-9.23%
-Office Supplies & Expenses	95,408	89,024	6,384	6.69%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	61,264	61,131	133	0.22%
-Pension and Benefits	166,616	166,580	36	0.02%
-Business Meals	861	856	5	0.55%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,195	6,003	192	3.11%
-Miscellaneous	5,844	5,812	32	0.55%
-Allocated GO and District Office	2,692,953	2,313,279	379,675	14.10%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	20,741	20,627	113	0.55%
-Rent	75,882	75,882	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	97,513	96,980	533	0.55%
TOTAL ADMIN & GENERAL EXPENSES	3,223,277	2,836,173	387,104	12.01%
DEPRECIATION AND AMORTIZATION	1,010,283	953,855	56,428	5.59%
-Property Taxes	291,389	248,591	42,798	14.69%
-Payroll Taxes	45,013	44,703	310	0.69%
-Local Taxes	190,101	191,320	(1,219)	-0.64%
TOTAL TAXES NOT ON INCOME	526,503	484,614	41,888	7.96%
TOTAL EXPENSES EXCLUDING INCOME TAX	15,250,080	15,732,668	(482,588)	-3.16%
NET OP REVENUE BEFORE INCOME TAX	2,751,003	2,383,868	367,135	13.35%
-State Income Tax	116,711	91,521	25,190	21.58%
-Federal Income Tax	366,728	306,887	59,841	16.32%
TOTAL INCOME TAXES	483,439	398,408	85,031	17.59%
TOTAL OPERATING EXPENSES	15,733,519	16,131,076	(397,557)	-2.53%
NET OPERATING REVENUE	2,267,563	1,985,460	282,104	12.44%
RATE BASE	30,120,924	26,373,632	3,747,292	12.44%
RATE OF RETURN	7.53%	7.53%		

Simi Valley				
Golden State Water Company A.23-08-010				
Table 5-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	15,547,006	16,988,209	(1,441,203)	-9.27%
OPERATING EXPENSES:				
-Purchased Water	8,944,683	9,948,714	(1,004,031)	-11.22%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	342,067	362,047	(19,981)	-5.84%
-Pump Taxes	100	100	0	0.00%
TOTAL SUPPLY EXPENSES	9,286,849	10,310,861	(1,024,012)	-11.03%
REVENUE LESS SUPPLY EXPENSES	6,260,156	6,677,348	(417,191)	-6.66%
-Chemical	0	0	0	0.00%
-Allocated (GO) Utility Support Services	299,901	283,064	16,836	5.61%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	55,847	40,683	15,164	27.15%
-Operation Labor	454,272	451,788	2,485	0.55%
-Other Operation Expenses	246,385	237,121	9,264	3.76%
TOTAL OPERATION EXPENSES	10,343,254	11,323,516	(980,262)	-9.48%
-Maintenance Labor	56,183	55,876	307	0.55%
-Other Maintenance	159,871	158,997	874	0.55%
TOTAL MAINTENANCE EXPENSES	216,054	214,872	1,182	0.55%
TOTAL O&M EXCLUDING A&G	10,559,308	11,538,389	(979,080)	-9.27%
-Office Supplies & Expenses	97,775	91,232	6,542	6.69%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	74,258	74,051	207	0.28%
-Pension and Benefits	180,686	180,649	37	0.02%
-Business Meals	882	877	5	0.55%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,478	6,223	256	3.95%
-Miscellaneous	5,989	5,956	33	0.55%
-Allocated GO and District Office	2,771,779	2,410,344	361,436	13.04%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	21,255	21,139	116	0.55%
-Rent	79,351	78,665	687	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	100,207	99,658	548	0.55%
TOTAL ADMIN & GENERAL EXPENSES	3,338,660	2,968,793	369,866	11.08%
DEPRECIATION AND AMORTIZATION	1,132,273	965,524	166,749	14.73%
-Property Taxes	335,581	262,103	73,479	21.90%
-Payroll Taxes	46,257	45,938	319	0.69%
-Local Taxes	164,184	179,404	(15,220)	-9.27%
TOTAL TAXES NOT ON INCOME	546,023	487,445	58,577	10.73%
TOTAL EXPENSES EXCLUDING INCOME TAX	15,576,263	15,960,151	(383,888)	-2.46%
NET OP REVENUE BEFORE INCOME TAX	(29,258)	1,028,057	(1,057,315)	3613.82%
-State Income Tax	(151,418)	(39,471)	(111,946)	73.93%
-Federal Income Tax	(257,572)	13,653	(271,226)	105.30%
TOTAL INCOME TAXES	(408,990)	(25,818)	(383,172)	93.69%
TOTAL OPERATING EXPENSES	15,167,273	15,934,333	(767,060)	-5.06%
NET OPERATING REVENUE	379,732	1,053,876	(674,143)	-177.53%
RATE BASE	35,787,080	26,254,694	9,532,386	26.64%
RATE OF RETURN	1.06%	4.01%		

Simi Valley				
Golden State Water Company A.23-08-010				
Table 5-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	18,893,094	18,320,507	572,587	3.03%
OPERATING EXPENSES:				
-Purchased Water	8,944,683	9,948,714	(1,004,031)	-11.22%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	342,067	362,047	(19,981)	-5.84%
-Pump Taxes	100	100	0	0.00%
TOTAL SUPPLY EXPENSES	9,286,849	10,310,861	(1,024,012)	-11.03%
REVENUE LESS SUPPLY EXPENSES	9,606,245	8,009,645	1,596,599	16.62%
-Chemical	0	0	0	0.00%
-Allocated (GO) Utility Support Services	299,901	283,064	16,836	5.61%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	67,866	43,873	23,993	35.35%
-Operation Labor	454,272	451,788	2,485	0.55%
-Other Operation Expenses	246,385	237,121	9,264	3.76%
TOTAL OPERATION EXPENSES	10,355,274	11,326,707	(971,433)	-9.38%
-Maintenance Labor	56,183	55,876	307	0.55%
-Other Maintenance	159,871	158,997	874	0.55%
TOTAL MAINTENANCE EXPENSES	216,054	214,872	1,182	0.55%
TOTAL O&M EXCLUDING A&G	10,571,328	11,541,579	(970,251)	-9.18%
-Office Supplies & Expenses	97,775	91,232	6,542	6.69%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	74,258	74,051	207	0.28%
-Pension and Benefits	180,686	180,649	37	0.02%
-Business Meals	882	877	5	0.55%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	6,478	6,223	256	3.95%
-Miscellaneous	5,989	5,956	33	0.55%
-Allocated GO and District Office	2,771,779	2,410,344	361,436	13.04%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	21,255	21,139	116	0.55%
-Rent	79,351	78,665	687	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	100,207	99,658	548	0.55%
TOTAL ADMIN & GENERAL EXPENSES	3,338,660	2,968,793	369,866	11.08%
DEPRECIATION AND AMORTIZATION	1,132,273	965,524	166,749	14.73%
-Property Taxes	335,581	262,103	73,479	21.90%
-Payroll Taxes	46,257	45,938	319	0.69%
-Local Taxes	199,521	193,474	6,047	3.03%
TOTAL TAXES NOT ON INCOME	581,359	501,515	79,844	13.73%
TOTAL EXPENSES EXCLUDING INCOME TAX	15,623,619	15,977,412	(353,792)	-2.26%
NET OP REVENUE BEFORE INCOME TAX	3,269,475	2,343,095	926,380	28.33%
-State Income Tax	140,190	76,778	63,412	45.23%
-Federal Income Tax	435,162	289,811	145,350	33.40%
TOTAL INCOME TAXES	575,352	366,589	208,763	36.28%
TOTAL OPERATING EXPENSES	16,198,971	16,344,001	(145,030)	-0.90%
NET OPERATING REVENUE	2,694,123	1,976,506	717,617	26.64%
RATE BASE	35,787,080	26,254,694	9,532,386	26.64%
RATE OF RETURN	7.53%	7.53%		

REGION II - RESULTS OF OPERATIONS TABLES

Region- II				
Golden State Water Company A.23-08-010				
Table 6-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	162,747,184	167,634,330	(4,887,146)	-3.00%
OPERATING EXPENSES:				
-Purchased Water	50,936,212	46,218,045	4,718,167	9.26%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	3,014,545	3,303,793	(289,247)	-9.60%
-Pump Taxes	8,301,799	10,551,956	(2,250,157)	-27.10%
TOTAL SUPPLY EXPENSES	62,252,556	60,073,794	2,178,762	3.50%
REVENUE LESS SUPPLY EXPENSES	100,494,628	107,560,536	(7,065,908)	-7.03%
-Chemical	1,125,899	1,395,618	(269,719)	-23.96%
-Allocated (GO) Utility Support Services	2,701,128	2,560,251	140,877	5.22%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	765,029	525,335	239,694	31.33%
-Operation Labor	4,176,541	3,770,439	406,102	9.72%
-Other Operation Expenses	2,442,033	2,410,220	31,813	1.30%
TOTAL OPERATION EXPENSES	73,463,186	70,735,656	2,727,530	3.71%
-Maintenance Labor	965,679	884,080	81,599	8.45%
-Other Maintenance	3,518,344	3,508,170	10,174	0.29%
TOTAL MAINTENANCE EXPENSES	4,484,023	4,392,250	91,773	2.05%
TOTAL O&M EXCLUDING A&G	77,947,209	75,127,906	2,819,303	3.62%
-Office Supplies & Expenses	544,249	519,478	24,770	4.55%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	710,945	709,398	1,547	0.22%
-Pension and Benefits	1,806,755	1,806,559	196	0.01%
-Business Meals	7,813	7,791	23	0.29%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	122,728	119,224	3,504	2.86%
-Miscellaneous	4,760	4,746	14	0.29%
-Allocated GO and District Office	26,218,623	21,953,384	4,265,240	16.27%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	22,605	22,539	65	0.29%
-Rent	488,735	488,735	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	971,675	881,553	90,122	9.27%
TOTAL ADMIN & GENERAL EXPENSES	30,898,888	26,513,407	4,385,482	14.19%
DEPRECIATION AND AMORTIZATION	15,435,336	13,691,391	1,743,945	11.30%
-Property Taxes	6,872,296	5,765,305	1,106,991	16.11%
-Payroll Taxes	463,119	418,752	44,366	9.58%
-Local Taxes	2,267,459	2,335,548	(68,090)	-3.00%
TOTAL TAXES NOT ON INCOME	9,602,874	8,519,606	1,083,268	11.28%
TOTAL EXPENSES EXCLUDING INCOME TAX	133,884,306	123,852,309	10,031,998	7.49%
NET OP REVENUE BEFORE INCOME TAX	28,862,878	43,782,022	(14,919,144)	-51.69%
-State Income Tax	176,247	1,749,507	(1,573,259)	-892.64%
-Federal Income Tax	1,944,877	5,682,258	(3,737,381)	-192.17%
TOTAL INCOME TAXES	2,121,124	7,431,764	(5,310,640)	-250.37%
TOTAL OPERATING EXPENSES	136,005,430	131,284,073	4,721,357	3.47%
NET OPERATING REVENUE	26,741,754	36,350,257	(9,608,503)	-35.93%
RATE BASE	671,909,812	540,678,239	131,231,573	19.53%
RATE OF RETURN	3.98%	6.72%		

Region- II				
Golden State Water Company A.23-08-010				
Table 6-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	197,373,220	173,946,563	23,426,657	11.87%
OPERATING EXPENSES:				
-Purchased Water	50,936,212	46,218,045	4,718,167	9.26%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	3,014,545	3,303,793	(289,247)	-9.60%
-Pump Taxes	8,301,799	10,551,956	(2,250,157)	-27.10%
TOTAL SUPPLY EXPENSES	62,252,556	60,073,794	2,178,762	3.50%
REVENUE LESS SUPPLY EXPENSES	135,120,663	113,872,768	21,247,895	15.73%
-Chemical	1,125,899	1,395,618	(269,719)	-23.96%
-Allocated (GO) Utility Support Services	2,701,128	2,560,251	140,877	5.22%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	927,796	545,116	382,680	41.25%
-Operation Labor	4,176,541	3,770,439	406,102	9.72%
-Other Operation Expenses	2,442,033	2,410,220	31,813	1.30%
TOTAL OPERATION EXPENSES	73,625,953	70,755,437	2,870,516	3.90%
-Maintenance Labor	965,679	884,080	81,599	8.45%
-Other Maintenance	3,518,344	3,508,170	10,174	0.29%
TOTAL MAINTENANCE EXPENSES	4,484,023	4,392,250	91,773	2.05%
TOTAL O&M EXCLUDING A&G	78,109,976	75,147,687	2,962,289	3.79%
-Office Supplies & Expenses	544,249	519,478	24,770	4.55%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	710,945	709,398	1,547	0.22%
-Pension and Benefits	1,806,755	1,806,559	196	0.01%
-Business Meals	7,813	7,791	23	0.29%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	122,728	119,224	3,504	2.86%
-Miscellaneous	4,760	4,746	14	0.29%
-Allocated GO and District Office	26,218,623	21,953,384	4,265,240	16.27%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	22,605	22,539	65	0.29%
-Rent	488,735	488,735	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	971,675	881,553	90,122	9.27%
TOTAL ADMIN & GENERAL EXPENSES	30,898,888	26,513,407	4,385,482	14.19%
DEPRECIATION AND AMORTIZATION	15,435,336	13,691,391	1,743,945	11.30%
-Property Taxes	6,872,296	5,765,305	1,106,991	16.11%
-Payroll Taxes	463,119	418,752	44,366	9.58%
-Local Taxes	2,749,882	2,423,493	326,390	11.87%
TOTAL TAXES NOT ON INCOME	10,085,297	8,607,550	1,477,747	14.65%
TOTAL EXPENSES EXCLUDING INCOME TAX	134,529,497	123,960,034	10,569,463	7.86%
NET OP REVENUE BEFORE INCOME TAX	62,843,722	49,986,528	12,857,194	20.46%
-State Income Tax	3,180,154	2,297,985	882,169	27.74%
-Federal Income Tax	9,080,854	6,985,204	2,095,650	23.08%
TOTAL INCOME TAXES	12,261,008	9,283,189	2,977,819	24.29%
TOTAL OPERATING EXPENSES	146,790,505	133,243,224	13,547,282	9.23%
NET OPERATING REVENUE	50,582,714	40,703,339	9,879,375	19.53%
RATE BASE	671,909,812	540,678,239	131,231,573	19.53%
RATE OF RETURN	7.53%	7.53%		

Region- II				
Golden State Water Company A.23-08-010				
Table 6-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	163,104,160	169,525,494	(6,421,333)	-3.94%
OPERATING EXPENSES:				
-Purchased Water	51,108,314	46,404,883	4,703,430	9.20%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	3,017,204	3,306,678	(289,474)	-9.59%
-Pump Taxes	8,301,799	10,551,956	(2,250,157)	-27.10%
TOTAL SUPPLY EXPENSES	62,427,317	60,263,518	2,163,799	3.47%
REVENUE LESS SUPPLY EXPENSES	100,676,844	109,261,976	(8,585,132)	-8.53%
-Chemical	1,147,516	1,422,414	(274,898)	-23.96%
-Allocated (GO) Utility Support Services	2,795,198	2,640,947	154,251	5.52%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	766,707	531,261	235,446	30.71%
-Operation Labor	4,280,803	3,864,563	416,240	9.72%
-Other Operation Expenses	2,496,138	2,463,620	32,518	1.30%
TOTAL OPERATION EXPENSES	73,913,679	71,186,323	2,727,356	3.69%
-Maintenance Labor	989,786	906,150	83,636	8.45%
-Other Maintenance	3,596,295	3,585,896	10,399	0.29%
TOTAL MAINTENANCE EXPENSES	4,586,081	4,492,046	94,035	2.05%
TOTAL O&M EXCLUDING A&G	78,499,760	75,678,369	2,821,391	3.59%
-Office Supplies & Expenses	556,307	530,988	25,319	4.55%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	861,738	859,335	2,404	0.28%
-Pension and Benefits	1,935,488	1,935,287	201	0.01%
-Business Meals	7,986	7,963	23	0.29%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	128,008	123,276	4,731	3.70%
-Miscellaneous	4,865	4,851	14	0.29%
-Allocated GO and District Office	27,064,922	22,859,418	4,205,504	15.54%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	23,106	23,039	67	0.29%
-Rent	509,758	505,347	4,411	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	995,932	903,560	92,372	9.27%
TOTAL ADMIN & GENERAL EXPENSES	32,088,110	27,753,064	4,335,046	13.51%
DEPRECIATION AND AMORTIZATION	16,623,291	13,846,941	2,776,351	16.70%
-Property Taxes	7,597,021	5,943,919	1,653,102	21.76%
-Payroll Taxes	474,680	429,206	45,474	9.58%
-Local Taxes	2,272,432	2,361,897	(89,465)	-3.94%
TOTAL TAXES NOT ON INCOME	10,344,133	8,735,022	1,609,111	15.56%
TOTAL EXPENSES EXCLUDING INCOME TAX	137,555,294	126,013,395	11,541,899	8.39%
NET OP REVENUE BEFORE INCOME TAX	25,548,866	43,512,099	(17,963,232)	-70.31%
-State Income Tax	(312,314)	1,642,416	(1,954,730)	625.89%
-Federal Income Tax	759,155	5,588,000	(4,828,845)	-636.08%
TOTAL INCOME TAXES	446,841	7,230,416	(6,783,575)	-1518.12%
TOTAL OPERATING EXPENSES	138,002,135	133,243,811	4,758,324	3.45%
NET OPERATING REVENUE	25,102,026	36,281,683	(11,179,657)	-44.54%
RATE BASE	727,237,726	538,040,387	189,197,338	26.02%
RATE OF RETURN	3.45%	6.74%		

Region- II				
Golden State Water Company A.23-08-010				
Table 6-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	206,161,128	175,649,206	30,511,922	14.80%
OPERATING EXPENSES:				
-Purchased Water	51,108,314	46,404,883	4,703,430	9.20%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	3,017,204	3,306,678	(289,474)	-9.59%
-Pump Taxes	8,301,799	10,551,956	(2,250,157)	-27.10%
TOTAL SUPPLY EXPENSES	62,427,317	60,263,518	2,163,799	3.47%
REVENUE LESS SUPPLY EXPENSES	143,733,811	115,385,688	28,348,123	19.72%
-Chemical	1,147,516	1,422,414	(274,898)	-23.96%
-Allocated (GO) Utility Support Services	2,795,198	2,640,947	154,251	5.52%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	969,106	550,452	418,654	43.20%
-Operation Labor	4,280,803	3,864,563	416,240	9.72%
-Other Operation Expenses	2,496,138	2,463,620	32,518	1.30%
TOTAL OPERATION EXPENSES	74,116,077	71,205,514	2,910,564	3.93%
-Maintenance Labor	989,786	906,150	83,636	8.45%
-Other Maintenance	3,596,295	3,585,896	10,399	0.29%
TOTAL MAINTENANCE EXPENSES	4,586,081	4,492,046	94,035	2.05%
TOTAL O&M EXCLUDING A&G	78,702,159	75,697,559	3,004,599	3.82%
-Office Supplies & Expenses	556,307	530,988	25,319	4.55%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	861,738	859,335	2,404	0.28%
-Pension and Benefits	1,935,488	1,935,287	201	0.01%
-Business Meals	7,986	7,963	23	0.29%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	128,008	123,276	4,731	3.70%
-Miscellaneous	4,865	4,851	14	0.29%
-Allocated GO and District Office	27,064,922	22,859,418	4,205,504	15.54%
--Allocated A&G Labor	0	0	0	0.00%
--Allocated A&G Other	0	0	0	0.00%
-Other Maintenance of General Plant	23,106	23,039	67	0.29%
-Rent	509,758	505,347	4,411	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	995,932	903,560	92,372	9.27%
TOTAL ADMIN & GENERAL EXPENSES	32,088,110	27,753,064	4,335,046	13.51%
DEPRECIATION AND AMORTIZATION	16,623,291	13,846,941	2,776,351	16.70%
-Property Taxes	7,597,021	5,943,919	1,653,102	21.76%
-Payroll Taxes	474,680	429,206	45,474	9.58%
-Local Taxes	2,872,319	2,447,215	425,104	14.80%
TOTAL TAXES NOT ON INCOME	10,944,020	8,820,340	2,123,680	19.40%
TOTAL EXPENSES EXCLUDING INCOME TAX	138,357,580	126,117,904	12,239,676	8.85%
NET OP REVENUE BEFORE INCOME TAX	67,803,549	49,531,302	18,272,246	26.95%
-State Income Tax	3,423,000	2,174,514	1,248,486	36.47%
-Federal Income Tax	9,632,638	6,852,032	2,780,606	28.87%
TOTAL INCOME TAXES	13,055,638	9,026,546	4,029,092	30.86%
TOTAL OPERATING EXPENSES	151,413,218	135,144,450	16,268,768	10.74%
NET OPERATING REVENUE	54,747,910	40,504,756	14,243,154	26.02%
RATE BASE	727,237,726	538,040,387	189,197,338	26.02%
RATE OF RETURN	7.53%	7.53%		

REGION III - RESULTS OF OPERATIONS TABLES

Region- III				
Golden State Water Company A.23-08-010				
Table 7-1				
Summary of Earnings- Test Year 2025 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	153,663,819	155,658,028	(1,994,208)	-1.30%
OPERATING EXPENSES:				
-Purchased Water	37,497,271	30,356,124	7,141,147	19.04%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	6,477,026	6,550,217	(73,191)	-1.13%
-Pump Taxes	9,892,897	14,100,077	(4,207,180)	-42.53%
TOTAL SUPPLY EXPENSES	53,867,194	51,006,418	2,860,776	5.31%
REVENUE LESS SUPPLY EXPENSES	99,796,626	104,651,610	(4,854,984)	-4.86%
-Chemical	1,142,498	1,149,745	(7,247)	-0.63%
-Allocated (GO) Utility Support Services	2,657,694	2,518,585	139,109	5.23%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor	0	0	0	0.00%
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	493,270	333,114	160,156	32.47%
-Operation Labor	4,302,931	4,288,351	14,580	0.34%
-Other Operation Expenses	4,975,987	3,936,233	1,039,754	20.90%
TOTAL OPERATION EXPENSES	67,439,574	63,232,447	4,207,127	6.24%
-Maintenance Labor	1,535,021	1,529,820	5,201	0.34%
-Other Maintenance	4,823,237	4,771,483	51,754	1.07%
TOTAL MAINTENANCE EXPENSES	6,358,258	6,301,303	56,956	0.90%
TOTAL O&M EXCLUDING A&G	73,797,833	69,533,750	4,264,083	5.78%
-Office Supplies & Expenses	903,309	843,901	59,408	6.58%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	841,714	839,882	1,832	0.22%
-Pension and Benefits	2,478,065	2,477,706	360	0.01%
-Business Meals	6,854	6,831	23	0.34%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	89,617	87,014	2,602	2.90%
-Miscellaneous	9,791	9,757	33	0.34%
-Allocated GO and District Office	25,987,172	22,146,683	3,840,489	14.78%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	315,198	314,130	1,068	0.34%
-Rent	346,664	346,664	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	1,163,176	1,159,234	3,941	0.34%
TOTAL ADMIN & GENERAL EXPENSES	32,141,559	28,231,802	3,909,757	12.16%
DEPRECIATION AND AMORTIZATION	16,402,794	14,297,430	2,105,364	12.84%
-Property Taxes	6,770,360	5,606,896	1,163,464	17.18%
-Payroll Taxes	530,325	527,776	2,550	0.48%
-Local Taxes	1,610,453	1,631,353	(20,900)	-1.30%
TOTAL TAXES NOT ON INCOME	8,911,138	7,766,025	1,145,113	12.85%
TOTAL EXPENSES EXCLUDING INCOME TAX	131,253,324	119,829,006	11,424,317	8.70%
NET OP REVENUE BEFORE INCOME TAX	22,410,496	35,829,021	(13,418,525)	-59.88%
-State Income Tax	(263,211)	1,164,341	(1,427,552)	542.36%
-Federal Income Tax	668,568	4,059,812	(3,391,244)	-507.24%
TOTAL INCOME TAXES	405,356	5,224,153	(4,818,796)	-1188.78%
TOTAL OPERATING EXPENSES	131,658,680	125,053,159	6,605,521	5.02%
NET OPERATING REVENUE	22,005,139	30,604,869	(8,599,729)	-39.08%
RATE BASE	650,167,399	525,668,751	124,498,648	19.15%
RATE OF RETURN	3.38%	5.82%		

Region- III				
Golden State Water Company A.23-08-010				
Table 7-2				
Summary of Earnings- Test Year 2025 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	192,595,850	168,604,378	23,991,472	12.46%
OPERATING EXPENSES:				
-Purchased Water	37,497,271	30,356,124	7,141,147	19.04%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	6,477,026	6,550,217	(73,191)	-1.13%
-Pump Taxes	9,892,897	14,100,077	(4,207,180)	-42.53%
TOTAL SUPPLY EXPENSES	53,867,194	51,006,418	2,860,776	5.31%
REVENUE LESS SUPPLY EXPENSES	138,728,657	117,597,960	21,130,696	15.23%
-Chemical	1,142,498	1,149,745	(7,247)	-0.63%
-Allocated (GO) Utility Support Services	2,657,694	2,518,585	139,109	5.23%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	618,244	360,820	257,424	41.64%
-Operation Labor	4,302,931	4,288,351	14,580	0.34%
-Other Operation Expenses	4,975,987	3,936,233	1,039,754	20.90%
TOTAL OPERATION EXPENSES	67,564,548	63,260,153	4,304,396	6.37%
-Maintenance Labor	1,535,021	1,529,820	5,201	0.34%
-Other Maintenance	4,823,237	4,771,483	51,754	1.07%
TOTAL MAINTENANCE EXPENSES	6,358,258	6,301,303	56,956	0.90%
TOTAL O&M EXCLUDING A&G	73,922,807	69,561,455	4,361,351	5.90%
-Office Supplies & Expenses	903,309	843,901	59,408	6.58%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	841,714	839,882	1,832	0.22%
-Pension and Benefits	2,478,065	2,477,706	360	0.01%
-Business Meals	6,854	6,831	23	0.34%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	89,617	87,014	2,602	2.90%
-Miscellaneous	9,791	9,757	33	0.34%
-Allocated GO and District Office	25,987,172	22,146,683	3,840,489	14.78%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	315,198	314,130	1,068	0.34%
-Rent	346,664	346,664	0	0.00%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	1,163,176	1,159,234	3,941	0.34%
TOTAL ADMIN & GENERAL EXPENSES	32,141,559	28,231,802	3,909,757	12.16%
DEPRECIATION AND AMORTIZATION	16,402,794	14,297,430	2,105,364	12.84%
-Property Taxes	6,770,360	5,606,896	1,163,464	17.18%
-Payroll Taxes	530,325	527,776	2,550	0.48%
-Local Taxes	2,018,475	1,767,036	251,439	12.46%
TOTAL TAXES NOT ON INCOME	9,319,160	7,901,708	1,417,453	15.21%
TOTAL EXPENSES EXCLUDING INCOME TAX	131,786,320	119,992,395	11,793,925	8.95%
NET OP REVENUE BEFORE INCOME TAX	60,809,530	48,611,983	12,197,547	20.06%
-State Income Tax	3,131,263	2,294,355	836,909	26.73%
-Federal Income Tax	8,732,365	6,744,234	1,988,131	22.77%
TOTAL INCOME TAXES	11,863,628	9,038,588	2,825,040	23.81%
TOTAL OPERATING EXPENSES	143,649,948	129,030,983	14,618,965	10.18%
NET OPERATING REVENUE	48,945,902	39,573,395	9,372,507	19.15%
RATE BASE	650,167,399	525,668,751	124,498,648	19.15%
RATE OF RETURN	7.53%	7.53%		

Region- III				
Golden State Water Company A.23-08-010				
Table 7-3				
Summary of Earnings- Escalation Year 2026 Present Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	154,124,051	159,203,707	(5,079,656)	-3.30%
OPERATING EXPENSES:				
-Purchased Water	37,629,332	30,497,767	7,131,566	18.95%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	6,490,845	6,564,608	(73,763)	-1.14%
-Pump Taxes	9,925,484	14,133,881	(4,208,398)	-42.40%
TOTAL SUPPLY EXPENSES	54,045,661	51,196,256	2,849,405	5.27%
REVENUE LESS SUPPLY EXPENSES	100,078,390	108,007,451	(7,929,061)	-7.92%
-Chemical	1,167,551	1,174,622	(7,070)	-0.61%
-Allocated (GO) Utility Support Services	2,750,252	2,597,969	152,283	5.54%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	494,747	340,702	154,045	31.14%
-Operation Labor	4,412,548	4,397,596	14,952	0.34%
-Other Operation Expenses	5,088,769	4,025,449	1,063,320	20.90%
TOTAL OPERATION EXPENSES	67,959,528	63,732,594	4,226,935	6.22%
-Maintenance Labor	1,574,126	1,568,792	5,334	0.34%
-Other Maintenance	4,932,557	4,879,630	52,927	1.07%
TOTAL MAINTENANCE EXPENSES	6,506,683	6,448,422	58,261	0.90%
TOTAL O&M EXCLUDING A&G	74,466,211	70,181,015	4,285,196	5.75%
-Office Supplies & Expenses	923,783	863,028	60,755	6.58%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	1,020,244	1,017,398	2,846	0.28%
-Pension and Benefits	2,655,858	2,655,489	369	0.01%
-Business Meals	7,010	6,986	24	0.34%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	93,518	90,017	3,501	3.74%
-Miscellaneous	10,012	9,978	34	0.34%
-Allocated GO and District Office	26,883,476	23,094,405	3,789,071	14.09%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	322,342	321,250	1,092	0.34%
-Rent	361,756	358,626	3,131	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	1,192,807	1,188,766	4,042	0.34%
TOTAL ADMIN & GENERAL EXPENSES	33,470,806	29,605,942	3,864,864	11.55%
DEPRECIATION AND AMORTIZATION	17,567,545	14,618,897	2,948,648	16.78%
-Property Taxes	7,497,401	5,873,059	1,624,342	21.67%
-Payroll Taxes	543,835	541,221	2,615	0.48%
-Local Taxes	1,615,277	1,668,514	(53,237)	-3.30%
TOTAL TAXES NOT ON INCOME	9,656,513	8,082,793	1,573,720	16.30%
TOTAL EXPENSES EXCLUDING INCOME TAX	135,161,074	122,488,647	12,672,428	9.38%
NET OP REVENUE BEFORE INCOME TAX	18,962,976	36,715,060	(17,752,084)	-93.61%
-State Income Tax	(763,317)	1,133,799	(1,897,116)	248.54%
-Federal Income Tax	(573,319)	4,109,155	(4,682,474)	816.73%
TOTAL INCOME TAXES	(1,336,636)	5,242,955	(6,579,590)	492.25%
TOTAL OPERATING EXPENSES	133,824,439	127,731,602	6,092,837	4.55%
NET OPERATING REVENUE	20,299,612	31,472,105	(11,172,493)	-55.04%
RATE BASE	700,770,261	531,663,791	169,106,470	24.13%
RATE OF RETURN	2.90%	5.92%		

Region- III				
Golden State Water Company A.23-08-010				
Table 7-4				
Summary of Earnings- Escalation Year 2026 Proposed Rates				
Description	GSWC	Cal Advocates	GSWC > Cal Advocates	
OPERATING REVENUES	201,025,812	171,549,666	29,476,146	14.66%
OPERATING EXPENSES:				
-Purchased Water	37,629,332	30,497,767	7,131,566	18.95%
-Balancing Account Provision	0	0	0	0.00%
-Purchased Power	6,490,845	6,564,608	(73,763)	-1.14%
-Pump Taxes	9,925,484	14,133,881	(4,208,398)	-42.40%
TOTAL SUPPLY EXPENSES	54,045,661	51,196,256	2,849,405	5.27%
REVENUE LESS SUPPLY EXPENSES	146,980,151	120,353,411	26,626,740	18.12%
-Chemical	1,167,551	1,174,622	(7,070)	-0.61%
-Allocated (GO) Utility Support Services	2,750,252	2,597,969	152,283	5.54%
--Common Customer Account	0	0	0	0.00%
--Allocated Customer Acct. Labor				
--Allocated Customer Acct. Other	0	0	0	0.00%
-Postage	0	0	0	0.00%
-Uncollectible	645,305	367,123	278,182	43.11%
-Operation Labor	4,412,548	4,397,596	14,952	0.34%
-Other Operation Expenses	5,088,769	4,025,449	1,063,320	20.90%
TOTAL OPERATION EXPENSES	68,110,086	63,759,014	4,351,071	6.39%
-Maintenance Labor	1,574,126	1,568,792	5,334	0.34%
-Other Maintenance	4,932,557	4,879,630	52,927	1.07%
TOTAL MAINTENANCE EXPENSES	6,506,683	6,448,422	58,261	0.90%
TOTAL O&M EXCLUDING A&G	74,616,768	70,207,436	4,409,333	5.91%
-Office Supplies & Expenses	923,783	863,028	60,755	6.58%
-Property Insurance	0	0	0	0.00%
-Injuries and Damages	1,020,244	1,017,398	2,846	0.28%
-Pension and Benefits	2,655,858	2,655,489	369	0.01%
-Business Meals	7,010	6,986	24	0.34%
-Regulatory Expenses	0	0	0	0.00%
-Outside Services	93,518	90,017	3,501	3.74%
-Miscellaneous	10,012	9,978	34	0.34%
-Allocated GO and District Office	26,883,476	23,094,405	3,789,071	14.09%
--Allocated A&G Labor				
--Allocated A&G Other				
-Other Maintenance of General Plant	322,342	321,250	1,092	0.34%
-Rent	361,756	358,626	3,131	0.87%
-A&G Capitalized	0	0	0	0.00%
-A&G Labor	1,192,807	1,188,766	4,042	0.34%
TOTAL ADMIN & GENERAL EXPENSES	33,470,806	29,605,942	3,864,864	11.55%
DEPRECIATION AND AMORTIZATION	17,567,545	14,618,897	2,948,648	16.78%
-Property Taxes	7,497,401	5,873,059	1,624,342	21.67%
-Payroll Taxes	543,835	541,221	2,615	0.48%
-Local Taxes	2,106,825	1,797,904	308,921	14.66%
TOTAL TAXES NOT ON INCOME	10,148,060	8,212,183	1,935,877	19.08%
TOTAL EXPENSES EXCLUDING INCOME TAX	135,803,180	122,644,458	13,158,722	9.69%
NET OP REVENUE BEFORE INCOME TAX	65,222,632	48,905,209	16,317,424	25.02%
-State Income Tax	3,326,037	2,211,408	1,114,628	33.51%
-Federal Income Tax	9,141,209	6,669,087	2,472,122	27.04%
TOTAL INCOME TAXES	12,467,246	8,880,495	3,586,751	28.77%
TOTAL OPERATING EXPENSES	148,270,425	131,524,953	16,745,472	11.29%
NET OPERATING REVENUE	52,755,387	40,024,713	12,730,673	24.13%
RATE BASE	700,770,261	531,663,791	169,106,470	24.13%
RATE OF RETURN	7.53%	7.53%		

ATTACHMENTS

Qualifications of Witnesses

QUALIFICATIONS AND PREPARED TESTIMONY
OF MEHBOOB ASLAM

Q.1 Please state your name and business address.

A.1 My name is Mehboob Aslam. My business address is 320 West 4th Street, Suite 500, Los Angeles, CA 90013.

Q. 2 By whom are you employed and in what capacity?

A. 2 I am employed by the California Public Utilities Commission as a Public utilities Regulatory Analyst (PURA)-V.

Q. 3 Please briefly describe your educational background and work experience.

A. 3 I graduated from the University of Engineering & Technology, Lahore, Pakistan with a Bachelor of Science Degree in Mechanical Engineering. I also have a Master of Business Administration (MBA) degree with an emphasis in Accounting and Finance from Western Kentucky University. I have been employed by the CPUC since 2001. From 2001 through 2002, I was a member of the Consumer Protection and Safety Division, where I was responsible for energy utilities' operating practices to enforce the rules and regulations relating to safe use of the plant and workforce. I Performed engineering reviews and conducted incident investigations for both gas and electric utilities. I have also helped resolve customers' complaints. From 2002 through present, I have been working for the Public Advocates Office in its Water Branch; mostly dealing with Class-A water utilities. I have performed evaluations of public utility plant and properties, regulation of utility tariffs and rates, studies of cost of service, and studies of the utility's operating practices to enforce the rules and regulations relating to ratemaking. I have presented my findings and recommendations as an expert witness at public hearings before the Commission. I have also been actively involved with a few of Commission's OIR/OII proceedings.

Q. 4 What is your area of responsibility in this proceeding?

A. 4 I am project coordinator in this proceeding and responsible for Executive Summary of the Public Advocates Office's Testimony except the section on Special Request #5 (Consolidation of Arden Cordova and Clearlake for Ratemaking Purposes), and Result of Operations Tables that are prepared by Edward Scher and Sari Ibrahim respectively.

Q. 5 Does this conclude your prepared testimony?

A. 5 Yes, it does.

QUALIFICATIONS AND PREPARED TESTIMONY
OF SARI IBRAHIM

Q.1 Please state your name and address.

A.1 My name is Sari Ibrahim, and my business address is 320 West 4th Street, Suite 500, Los Angeles, California 90013.

Q.2 By whom are you employed and what is your job title?

A.2 I am a Utilities Engineer in the Water Branch of the Public Advocates Office.

Q.3 Please describe your educational and professional experience.

A.3 received a Bachelor of Science Degree in Civil Engineering from the Illinois Institute of Technology in 2013. I also earned a Master of Science Degree in Civil Engineering from California State University, Fullerton in 2019.

I have been with the Public Advocates Office – Water Branch since September 2019. I have served as an expert witness in multiple GRCs. Prior to joining the Public Advocates Office, I worked as an engineer primarily in the environmental remediation field for over six years.

Q.4 What is your area of responsibility in this proceeding?

A.4 My areas of responsibility are examining cost adders in GSWC's capital project estimates, Region III capital projects, early retirements, rate base sampling, and the Results of Operations Model.

Q.5 Does that complete your prepared testimony?

A.5 Yes.

QUALIFICATIONS AND PREPARED TESTIMONY
OF EDWARD SCHER

Q.1 Please state your name, business address, and position with the California Public Utilities Commission (“Commission”).

A.1 My name is Edward Scher, and my business address is 505 Van Ness Ave, San Francisco, CA 94102. I am a Senior Public Utility Regulatory Analyst in the Water Branch of the Public Advocates Office.

Q.2 Please summarize your educational background and professional experience.

A.2 I received a Bachelor of Science Degree in Environmental Science from George Washington University in 1991. I also earned a Master of City Planning Degree from the Massachusetts Institute of Technology in 1997.

I have been with the Public Advocates Office – Water Branch since October 2019. Prior to joining the Public Advocates Office, I worked in the field of public interest health and environmental advocacy for more than 25 years.

Q.3 What is your responsibility in this proceeding GSWC GRC A. 23-08-010?

A.3 I am responsible for the preparation of this report on Special Request #5: Consolidation of Arden Cordova and Clearlake for Ratemaking Purposes

Q.4 Does this conclude your prepared direct testimony?

A.4 Yes.