

E. Ojai Customer Service Area

i. Summary of Requested Revenue Requirement and Rate Base Changes

Below is a table comparing the revenue requirement for the proposed 2013 test year with the revenue requirements for the current 2011 test year and the twelve (12) month period ending December 2010.

Ojai Comparison of Proposed Increase			
	Proposed Test Year 2013	2011 Test Year	12-Month Period Ending 12/31/10
Total Revenue Requirement \$	\$6,171,887	\$5,376,557	\$4,314,235
Rate Base \$	\$18,146,873	\$15,183,509	\$13,521,126
Rate Base Difference		\$2,963,364	\$4,625,747
Rate Base % Increase		19.52%	34.21%
Operating Expenses \$	\$4,556,810	\$4,025,215	\$3,434,279
Operating Expense \$ Difference		\$531,594	\$1,122,531
Operating Expenses % Difference		13.21%	32.69%
Rate of Return	8.90%	8.90%	6.51%

ii. Primary Cost Increases – The following are the primary reasons why GSWC requests an increase to the revenue requirement for the Ojai Customer Service Area:

a. Rate Base – The forecasted rate base for 2013 is \$2,963,360 higher than the adopted rate base for 2011. The increase in rate base requires an increase in net operating revenues of \$263,740 based on the currently authorized rate of return of 8.90%, or \$477,370 in total revenue requirement. This

increase in the rate base is due to the capital additions in the Ojai Customer Service Area that are addressed in the Operating Districts Capital Additions Testimony.

b. Allocated General Office Expenses – The increase in the GO is due to increases in Administrative and General Labor, medical benefits expenses, regulatory expenses that were previously recorded in the regions, and expenses related to the Customer Care and Billing System including maintenance and depreciation. See testimony of John Garon in its entirety for a more detailed discussion of the General Office expenses.

c. Income Tax – The increase in income taxes is a result of GSWC forecasting net operating revenues that are higher than the amount previously adopted. This increase was a result of anticipated additions to plant. A discussion of the income tax calculation is included in the Prepared Testimony of Wayne McDonald.

d. Depreciation – The increase in the depreciation expense is due primarily to the increase in depreciable utility plant since the last general rate case. Depreciation is addressed in the testimony of Jenny Darney-Lane.

e. Other Maintenance Expenses – The forecast is based on trending the most current three years. All Other Maintenance Expenses for Ojai have been trending upward over the last three years. The cost to maintain the system has increased significantly; this includes the maintenance of wells, pumps, mains, reservoirs, and boosters. Other maintenance expenses are addressed in the testimony of Eva Orozco.

Si necesita asistencia en Español, tenemos representantes de servicio al cliente disponibles para ayudarle cuando lo solicite, por favor llame al número 1-800-999-4033.

**NOTICE OF APPLICATION FOR A GENERAL RATE INCREASE BY
GOLDEN STATE WATER COMPANY
OJAI SERVICE AREA
APPLICATION NO. 11-07-0xx**

REQUEST FOR PUBLIC COMMENTS

The California Public Utilities Commission (CPUC) is seeking public comments from Golden State Water Company's (GSWC) customers in the Ojai Service Area regarding a proposed request by GSWC to increase rates for service in 2013, 2014, and 2015. As part of its decision-making process, the CPUC is interested in your comments on any aspect of the company's operation including proposed rates, service quality or any other issue of concern.

GSWC filed Application 11-07-XXX on July 21, 2011 with the CPUC requesting authorization to increase revenues in the Ojai Service Area for test years 2013 through 2015.

The following table illustrates the increase in revenue requirement (\$1,000's) over current adopted revenues, proposed in this Application:

Revenue Requirement Increase				
Test Year	Adopted Revenue	Proposed	\$	%
2011	\$5,376.6			
2013		\$6,171.9	\$795.3	14.80%
2014		\$6,475.5	\$303.6	4.90%
2015		\$6,816.0	\$340.5	5.30%

If the proposed application is approved by the CPUC, an average residential customer with a 5/8 x 3/4" meter would see a monthly bill increase of \$5.69 or 7.84% from \$72.57 to \$78.26 excluding any applicable surcharges.

GSWC's Ojai Service Area serves approximately 2,860 customers in all or portions of the city of Ojai and vicinity, Ventura County.

These increases are necessary to keep up with increased purchased water and pumping costs which are out of GSWC's control and to meet GSWC's goals to ensure a safe and reliable source of supply, improve infrastructure and to promote the efficient use of water.

On May 2, 2011, in a separate proceeding GSWC filed their Cost of Capital Application No. 11-05-004 with the CPUC. In the Application, GSWC has requested that the CPUC review and authorize a cost of capital for 2012, 2013, and 2014. The authorized cost of capital determines the amount of money GSWC is allowed in rates as a return on its invested capital. The approval of this application may impact rates in the Ojai Customer Service area.

FOR FURTHER INFORMATION AND TO OBTAIN A COPY OF THE APPLICATION

A copy of GSWC's Application No. 11-07-0xx and related exhibits may be examined at the following GSWC locations:

- Ojai Customer Service Area Office located at 1002-A East Ojai Ave., Ojai, California 93023.

If you need additional information, you may visit www.gswater.com or call our 24-hour Customer Service Center; toll free, at 1-800-999-4033, TTY 1-877-933-9533

PUBLIC COMMENT

If you wish to comment on or protest this filing as a customer of GSWC, you may do so by e-mail or writing to the Public Advisor's Office (PAO). Written public comments by GSWC customers is very much desired by the CPUC and may be sent to the PAO at the address shown below. All public comments received by the PAO are provided to

the CPUC Commissioners and the Administrative Law Judge (ALJ) assigned to the proceeding. All e-mails and written correspondences become part of the formal file under public comments. Participating Divisions within the CPUC who are reviewing the request by GSWC will also receive a copy of all public comments.

EVIDENTIARY HEARINGS

The CPUC may hold Evidentiary Hearings (EH) whereby parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during EH. Members of the public may attend these hearings, but are not allowed to participate.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of GSWC's request, amend or modify it, or deny the application. The CPUC's final decision may be different from GSWC's proposed application.

PROTESTING THE APPLICATION

Formal protests to this application must be filed with the CPUC no later than xxxxx xx, 2011. The CPUC's PAO was established to assist members of the public who want to protest or otherwise participate in the CPUC's proceedings. For assistance in filing a formal protest with the CPUC or otherwise participating in the formal proceeding, please contact the Public Advisor's Office at 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or via e-mail to public.advisor.la@cpuc.ca.gov. Please refer to Golden State Water Company's Application No. 11-07-0xx on any written or e-mail correspondences.

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this Application. DRA is an independent arm of the CPUC created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

Copies of the proposed application filing are also available for review at the California Public Utilities Commission's Central Files offices at 505 Van Ness Ave., San Francisco, CA 94102, from 8:00 a.m. to noon daily.

GOLDEN STATE WATER COMPANY

Schedule No. OJ-1-R

Ojai District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services provided to single-family residential customers.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

	<u>Present Rate</u> <u>Per Month</u>	<u>2013 Proposed</u> <u>Per Month</u>
Quantity Rates:		
First 1300 cu. ft., per 100 cu. ft.	\$3.340	\$4.205
Next 1,200 cu. ft., per 100 cu. ft.	\$3.596	\$4.835
Over 2,500 cu.ft., per 100 cu. ft.	\$4.202	\$5.560
Service Charge:		
For 5/8 x 3/4-inch meter	\$30.70	\$27.80
For 3/4-inch meter	\$46.05	\$41.70
For 1-inch meter	\$76.80	\$69.50
For 1 1/2 inch meter	\$154.00	\$139.00
For 2-inch meter	\$245.85	\$222.00
Sprinkler 1" to 5/8"	\$0.00	\$28.65
Sprinkler 1" to 3/4"	\$0.00	\$42.10
Sprinkler 1 1/2" to 3/4"	\$0.00	\$45.90
Sprinkler 2 " to 3/4"	\$0.00	\$47.55
Sprinkler 1 1/2 " to 1"		
Sprinkler 2" to 1"		

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-1-NR

Ojai District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water services except those covered under OJ-1-R and public parks.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

	<u>Present Rate</u> <u>Per Month</u>	<u>2013 Proposed</u> <u>Per Month</u>
Quantity Rates:		
First 500 cu. ft., per 100 cu. ft.	\$3.340	\$3.763
Next 1,500 cu. ft., per 100 cu. ft.	\$3.596	\$4.051
Over 2,000 cu.ft., per 100 cu. ft.	\$4.202	\$4.734
Service Charge:		
For 5/8 x 3/4-inch meter	\$30.70	\$38.40
For 3/4-inch meter	\$46.05	\$57.60
For 1-inch meter	\$76.80	\$96.05
For 1 1/2 inch meter	\$154.00	\$192.00
For 2-inch meter	\$245.85	\$307.00
For 3-inch meter	\$461.10	\$576.00
For 4-inch meter	\$1,536.20	\$960.00
For 6-inch meter	\$2,457.35	\$1,921.00
For 8-inch meter	\$2,409.00	\$3,073.00

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-3M

Ojai District

SPECIAL IRRIGATION METERED SERVICE

APPLICABILITY

Applicable to ten specific parcels of land identified on Special Irrigation Metered Service
Tariff Area Map.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

Quantity Rates:

Casitas Municipal Water District agricultural non-prime rates as amended from
time to time.

	<u>Present Rate</u>	<u>2013 Proposed</u>
	<u>Per Month</u>	<u>Per Month</u>
Wheeling Charge:		
For 2-inch meter	\$757.90	\$946.41
For 4-inch meter	\$947.70	\$1,183.00

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-7ML

Ojai District

PUBLIC PARK METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished to public parks.

TERRITORY

Ojai and vicinity, Ventura County.

<u>RATES</u>	<u>Present Rate</u> <u>Per Month</u>	<u>2013 Proposed</u> <u>Per Month</u>
Quantity Rates:		
For all water delivered, per 100 cu. ft.	\$2.809	\$3.112
Service Charge:		
For 5/8 x 3/4-inch meter	\$30.70	\$38.40
For 3/4-inch meter	\$46.05	\$57.60
For 1-inch meter	\$76.80	\$96.05
For 1 1/2 inch meter	\$154.00	\$192.00
For 2-inch meter	\$245.85	\$307.00

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

SPECIAL CONDITIONS

1. Service under this schedule shall be limited to the City of Ojai, the County of Ventura and the Civic Center Park (Ojai Civic Association, Trustee).
2. The above rates apply to service connections not larger than two inches in diameter.
3. The cost of installation of service pipes and meters shall be borne by the utility. Relocation of such facilities shall be at the expense of the party requesting relocation.
4. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
5. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-1-R

Ojai District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services provided to single-family residential customers.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

	<u>2014 Proposed</u> <u>Per Month</u>	<u>2015 Proposed</u> <u>Per Month</u>
Quantity Rates:		
First 1300 cu. ft., per 100 cu. ft.	\$4.407	\$4.636
Next 1,200 cu. ft., per 100 cu. ft.	\$5.068	\$5.331
Over 2,500 cu.ft., per 100 cu. ft.	\$5.829	\$6.131
Service Charge:		
For 5/8 x 3/4-inch meter	\$29.15	\$30.65
For 3/4-inch meter	\$43.75	\$46.00
For 1-inch meter	\$72.90	\$76.70
For 1 1/2 inch meter	\$146.00	\$153.00
For 2-inch meter	\$233.00	\$245.00
Sprinkler 1" to 5/8"	\$30.05	\$31.60
Sprinkler 1" to 3/4"	\$44.15	\$46.45
Sprinkler 1 1/2" to 3/4"	\$48.10	\$50.60
Sprinkler 2 " to 3/4"	\$49.85	\$52.45
Sprinkler 1 1/2 " to 1"		
Sprinkler 2" to 1"		

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-1-NR

Ojai District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water services except those covered under OJ-1-R and public parks.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

	<u>2014 Proposed</u> <u>Per Month</u>	<u>2015 Proposed</u> <u>Per Month</u>
Quantity Rates:		
First 500 cu. ft., per 100 cu. ft.	\$3.797	\$3.847
Next 1,500 cu. ft., per 100 cu. ft.	\$4.088	\$4.142
Over 2,000 cu.ft., per 100 cu. ft.	\$4.776	\$4.734
Service Charge:		
For 5/8 x 3/4-inch meter	\$39.90	\$41.15
For 3/4-inch meter	\$59.90	\$61.75
For 1-inch meter	\$99.80	\$103.00
For 1 1/2 inch meter	\$200.00	\$206.00
For 2-inch meter	\$319.00	\$329.00
For 3-inch meter	\$599.00	\$617.00
For 4-inch meter	\$998.00	\$1,029.00
For 6-inch meter	\$1,996.00	\$2,058.00
For 8-inch meter	\$3,194.00	\$3,293.00

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing Account

Schedule No. OJ-3M

Ojai District

SPECIAL IRRIGATION METERED SERVICE

APPLICABILITY

Applicable to ten specific parcels of land identified on Special Irrigation Metered Service
Tariff Area Map.

TERRITORY

Ojai and vicinity, Ventura County.

RATES

Quantity Rates:

Casitas Municipal Water District agricultural non-prime rates as amended from
time to time.

		2014 Proposed <u>Per Month</u>	2015 Proposed <u>Per Month</u>
Wheeling Charge:			
For	2-inch meter	\$983.40	\$1,014.23
For	4-inch meter	\$1,183.00	\$1,268.00

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Effective xxx x, xxxx, pursuant to Decision No. xx-xx-xxx, a surcharge of \$x.xxx per Ccf will be applied
all metered Customer bills excluding customers that are receiving the CARW credit. This surcharge will
offset the CARW credits and CARW administrative program costs recorded in the CARW Balancing
Account