PUBLIC PARTICIPATION HEARING

Golden State Water Company – Los Osos General Rate Case Application (A.26-07-001)

What is this Rate Application About?

Every three years the large Class A water utilities undergo a "General Rate Case", or GRC, at the California Public Utilities Commission (CPUC). A GRC allows the CPUC to take a broad, in-depth look at a water company's revenues and expenses and consider quality of service and other factors to arrive at just and reasonable rates. As part of a GRC proceeding, a water company requests revenues for the next three years based on its forecasted expenses and necessary investments and must justify the proposed rate increase[1]. Parties to the proceeding then examine and comment on the request in a public process before the CPUC. Below is information on Golden State Water Company's (Golden State) General Rate Case.

What is Golden State Requesting in A.26-07-001?[2]

Increases in Revenue to be Recovered (Los Osos – Not Consolidated):

- 2028: $1.79 million (29.52%) above current revenues
- 2029: $0.74 million (9.52%) above proposed 2028 revenues
- 2030: $0.78 million (9.07%) above proposed 2029 revenues

Increases in Revenue to be Recovered (Coastal Consolidated District):

- 2028: $7.16 million (24.04%) above current revenues
- 2029: $2.34 million (6.37%) above proposed 2028 revenues
- 2030: $2.48 million (6.35%) above proposed 2029 revenues

The amount of revenue to be authorized is based on the forecasted operating and capital costs of doing business. This, combined with forecasted water sales and number of customers, produces the necessary changes in rates.

[1] There will likely be other increases outside of the three-year GRC period. The company can request to increase rates if certain operating costs increase, such as electricity and purchased water.
[2] The values for 2029 and 2030 are estimated. The actual increases may differ based on the company's recorded data and the inflation forecast for each year.

What are the Main Reasons Golden State Cites for Needing to Increase Rates?

Los Osos – Not Consolidated:

- **Allocated General and District Office Expense:** $145,563 (accounts for 8.9% of total proposed 2028 revenue increase)
- **Depreciation Expenses:** $130,601 (accounts for 8.0% of total proposed 2028 revenue increase)

Coastal Consolidated District:

- **A&G Costs Associated with General and District office Expenses:** $993,088 (accounts for 14.9% of total proposed 2028 revenue increase)
- **Depreciation Expenses:** $855,800 (accounts for 12.8% of total proposed 2028 revenue increase)

How will Golden State's Request Impact Me?

Los Osos Without Consolidation

Residential Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or tax)

Service Charge (Meter Size)	Current Eff.[3] 1/1/2026	Proposed		
		Eff. 1/1/2028	Eff. 1/1/2029	Eff. 1/1/2030
5/8"	$54.36	$78.18	$85.49	$93.10
¾"	$81.54	$117.27	$128.24	$139.65
1-inch	$135.90	$195.45	$213.73	$232.75
Variable Rates				
Tier 1	0 CCF – 8 CCF			
	$12.407	$14.013	$15.376	$16.801
Tier 2	Amount more than 8 CCF – 18 CCF			
	$14.268	$16.115	$17.682	$19.321
Tier 3	Over 18 CCF			
	$16.409	$18.532	$20.335	$22.219

Bills are calculated by combining a service charge and a usage charge. The service charge is a fixed, once per month charge for maintaining the meters, pipes, pumps, valves, and other equipment to deliver water to your residence. Your service charge depends on your meter size. Most residential customers use a 5/8-

[3] The current effective rates and/or service charges provided as of 1/1/2026 may have new effective rates and/or service charges as of 1/1/2027.

inch meter. The usage charge is a monthly charge based on each household's water use, meaning the more water used, the higher the volumetric per unit charge could become. For example, for a household with a 5/8-inch meter, using 10 CCF (1 CCF = 748 gallons) in 2026, the usage charge would be calculated by multiplying 8 CCF by $12.407, which equals $99.26. The remaining 2 CCF is multiplied by $14.268, which results in $28.54. The total bill is calculated by adding the service charge and usage charges together ($54.36+$99.26+$28.54=$182.15).

An average-use, residential customer with a 5/8-inch meter using 5 CCF (1 CCF = 748 gallons) would see an increase in each bill from $116.40 currently to $148.25 per month in 2028 under Golden State's request in A.26-07-001. The same bill would be $162.37 in 2029 and $177.11 in 2030 resulting in an overall 52.2% rate increase over 3 years.

Coastal Consolidated District (Los Osos Consolidated with Santa Maria)

Residential Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or tax)

Service Charge (Meter Size)	Current Eff. [4] 1/1/2026	Proposed		
		Eff. 1/1/2028	Eff. 1/1/2029	Eff. 1/1/2030
5/8"	$54.36	$54.36	$54.36	$54.36
¾"	$81.54	$81.54	$81.54	$81.51
1-inch	$135.90	$135.90	$135.90	$135.90
Variable Rates				
Tier 1	0 CCF – 8 CCF			
	$12.407	$12.407	$12.407	$12.407
Tier 2	Amount more than 8 CCF – 18 CCF			
	$14.268	$14.268	$14.268	$14.268
Tier 3	Over 18 CCF			
	$16.409	$16.409	$16.409	$16.409

Golden State is requesting consolidation of their Los Osos and Santa Maria ratemaking areas. An average-use, residential customer with a 5/8-inch meter using 5 CCF (1 CCF = 748 gallons) would see no change in each bill from $116.40 currently to $116.40 per month in 2028 under Golden State's request in A.26-07-001. The same bill would be $116.40 in 2029 and $116.40 in 2030 resulting in an overall 0% rate increase over 3 years.

[4] The current effective rates and/or service charges provided as of 1/1/2026 may have new effective rates and/or service charges as of 1/1/2027.

Where Can I Go for Further Information on the Proceeding?

- **Documents related to this proceeding are available on the CPUC's website at:** https://apps.CPUC.ca.gov/p/A2607001

- **Subscribe to receive documents related to this proceeding at:** https://subscribecpuc.cpuc.ca.gov/

- **To review Golden State's Application, or to request a copy of all exhibits, including supporting testimony, please go to:** https://www.gswater.com/2028-30-rates

- **To review Public Advocates Office's testimony, go to:** https://www.publicadvocates.cpuc.ca.gov

- **The Public Advisor's Office provides information for the public on how to get involved in proceedings:** https://www.cpuc.ca.gov/pao

- **The CPUC's Water Division provides information on the regulatory process for water utilities:** https://www.cpuc.ca.gov/about-cpuc/divisions/water-division