



PUBLIC PARTICIPATION HEARING

Golden State Water Company – Region 2 – Artesia Service Area Application For Order Authorizing Purchase of Utility Assets (A.26-01-015)

AUGUST 25, 2026

What is this Application About?

Large Class A water utilities regulated by the California Public Utilities Commission (CPUC) may purchase utility assets from municipal water companies. To complete this transaction, the acquiring utility must seek CPUC approval. The acquiring utility may file an “Application”, which allows the CPUC to take an in-depth look at a water company’s revenues and expenses, consider quality of service and other factors, arrive at just and reasonable rates, and issue a decision. Parties to the proceeding examine and comment on the request in a public process before the CPUC. Below is information of Golden State Water Company’s (Golden State) Application for Order Authorizing Purchase of Utility Assets.

What is Golden State Requesting in A.26-01-015?

Purchase Artesia Service Area (ASA) Utility Assets from the City of Norwalk (City)

- Purchase price: \$5.25 million paid by Golden State for the ASA assets; full amount to rate base.
- Capital Costs: \$1.83 million to tie in the ASA system with Golden State’s existing Artesia system.

Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and Golden State (the parties) have submitted a Settlement Agreement (Settlement). In the Settlement, parties agree the amount to apply to rate base be \$3.40 million.

Adjustment in Revenue to be Recovered:

- 2027: \$224 thousand (29.4%) increase in revenues was originally requested by Golden State.

In the Settlement, parties agree to a -\$4 thousand (-0.58%) adjustment in 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 to be acquired, produces the necessary changes in rates. Rate impact information is discussed on the next page of this Fact Sheet.

What are the Main Reasons Golden State Cites for the Acquisition?

- **ASA System Condition:** Needs significant improvements, and the City determined Golden State has expertise and capacity to better serve customers due to proximity of the existing Artesia system.
- **Enhanced Reliability:** ASA has no independent source of water supply and no alternative back-up supply; Golden State plans to serve ASA with excess water supply from its Artesia system, and merging the ASA will enable operating the system in a manner resulting in cost savings to customers.



How will Golden State's Request Impact Me?

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

Current customers serviced by Golden State's existing Region 2 Artesia System will not see an immediate rate impact. The residential customers currently serviced in the ASA by the City will see rate impacts in the year of the acquisition, which is tentatively year 2027. Golden State plans to consolidate the ASA with its Region 2 service area for ratemaking purposes in its 2026 General Rate Case Application, with full consolidation for ratemaking purposes starting in 2028.

Service Charge (Meter Size)	Current Golden State Artesia Customers Eff. 1/1/2026	Current ASA Customers Eff. 2026	Proposed for only the Acquired ASA	
			Proposed by Golden State Eff. 2027	Settlement Eff. 2027
5/8"	\$37.81	\$32.04	\$34.56	\$25.20
3/4"	\$56.72	\$32.04	\$51.84	\$37.80
1-inch	\$94.53	\$42.77	\$86.39	\$63.00
Fixed and Variable (Tier) Monthly Rates				
Fixed	N/A	\$4.470 per CCF	N/A	N/A
Tier 1	0 - 9 CCF			
	\$5.657	N/A	\$5.653	\$4.343
Tier 2	Amount more than 9 CCF - 21 CCF			
	\$6.505	N/A	\$6.501	\$4.994
Tier 3	Over 21 CCF			
	\$7.481	N/A	\$7.475	\$5.742

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-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, based on Golden State's request for a household with a 5/8-inch meter, using 11 CCF (1 CCF = 748 gallons) in 2027, the usage charge would be calculated by first multiplying 9 CCF by \$5.653, which equals \$50.88. The remaining 2 CCF is multiplied by \$6.501, which equals \$13.00. The total bill is calculated by adding the service charge and usage charges together, resulting in \$98.44. Using the Settlement values result in \$74.28.

Based on Golden State's request, an average-use, residential customer, in the acquired ASA with a 5/8-inch meter using 8 CCF (1 CCF = 748 gallons) would see an overall 17.7% rate increase in each bill, from \$67.80 currently to \$79.78 per month in 2027. In the Settlement, for the same conditions, the result is a 10% lower bill of \$61.29 per month.



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/A2601015>
- Subscribe to receive documents related to this proceeding at <http://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/2026-norwalk-application>
- To review Public Advocates Office's testimony, go to: <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/A2601015/9450/609223872.pdf>
- The Public Advisor's Office provides information for the public on how to get involved in proceedings: 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>