

SURCHARGES AND SURCREDITS

Golden State Water has developed the following guide to provide detailed information on all surcharges and surcredits factored into customer water bills. Please select your community from the list below and navigate to the identified page to learn about bill impacts for your area.

Table of Contents

Apple Valley	2
Arden Cordova	2
Barstow	3
Bay Point	4
Calipatria	4
Central Basin East (Artesia, Norwalk and surrounding communities)	4
Central Basin West (Bell, Bell Gardens and surrounding communities)	5
Claremont	5
Clearlake	5
Culver City	6
Los Alamitos	6
Los Osos	6
Morongo Valley	7
Placentia	7
San Dimas	7
San Gabriel	8
Santa Maria	8
Simi Valley	9
Southwest	9
Wrightwood	9
Glossary	10

Apple Valley

- **CAP Surcharge: Advice Letter 1842-W**
Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.
Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water’s CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.
Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Arden Cordova

- **CAP Surcharge: Advice Letter 1842-W**
Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed for metered customers, and a monthly surcharge of \$1.30 is applied for flat rate customers.
Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water’s CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.
Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.
- **American Recovery and Reinvestment Act of 2009 (ARRA) Surcharge: Advice Letter 1756-W**
Customer Bill Impact: See the table below.

<u>Meter Size</u>	<u>Next 4.5 Years Monthly Surcharge</u>	<u>Thereafter Until End of Loan Repayment Term</u>
5/8 x 3/4 inch	\$1.05	\$0.85
3/4 inch	\$1.58	\$1.28
1 inch	\$2.62	\$2.14
1 ½ inch	\$5.23	\$4.26
inch	\$8.37	\$6.82
3 inch	\$15.69	\$12.79
4 inch	\$26.14	\$21.31
6 inch	\$52.29	\$42.62
8 inch	\$83.66	\$68.20
10 inch	\$120.26	\$98.04

<u>Flat Rate</u>	<u>Next 5 Years</u>	<u>Thereafter Until End of</u>	
Unit	<u>Monthly Surcharge</u>	<u>Loan Repayment Term</u>	Single
Unit	\$1.95	\$1.28	
Duplex	\$1.95	\$1.28	

Description: The CPUC has authorized Golden State Water to implement a temporary surcharge to repay a 20-year loan obtained by Golden State Water through the California Department of Public Health’s Safe Drinking Water Revolving Fund American Recovery and Reinvestment Act funding program. This program provides funding to install water meters and retrofits to residential flat rate customers in the Arden Cordova District. Golden State Water’s meter retrofit program will assist in bringing service connections into compliance to meet the state mandated requirement that all urban water suppliers install meters on all municipal and industrial service connections by or before January 1, 2025.

Expires: March 2, 2033

▪ **Water Quality Litigation Memorandum Account: Advice Letter 1771-W**

Customer Bill Impact: A surcharge of \$0.296 is applied to each 748 gallons (1 Ccf) billed for metered customers, and a monthly surcharge of \$9.03 is applied for flat rate customers.

Description: In 2005, Golden State Water’s local water supply was contaminated by a third party. As a result, Golden State Water wells suffered and became inoperable. The CPUC authorized Golden State Water to institute a surcharge to recover legal expenses associated with this litigation. **Expires:** Sept. 21, 2025

Barstow

▪ **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water’s CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: Rates are recalibrated every three years in accordance with the GRC filing.

Bay Point

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed.

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Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Calipatria

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Central Basin East (Artesia, Norwalk and surrounding communities)

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.121 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Central Basin West (Bell, Bell Gardens and surrounding communities)

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.121 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Claremont

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Clearlake

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Culver City

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.121 is applied to each 748 gallons (1 Ccf) billed.

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Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Los Alamitos

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

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Expires: Rates are recalibrated every three years in accordance with the GRC filing.

Los Osos

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed.

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Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Morongo Valley

- **CAP Surcharge: Advice Letter 1842-W**

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Expires: Rates are recalibrated every three years in accordance with the GRC filing.

Placentia

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

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Expires: Rates are recalibrated every three years in accordance with the GRC filing.

San Dimas

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

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Expires: Rates are recalibrated every three years in accordance with the GRC filing.

San Gabriel

▪ **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

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Expires: Rates are recalibrated every three years in accordance with the GRC filing.

Santa Maria

▪ **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

▪ **Santa Maria Water Rights Memorandum Account (SMWRMA): Advice Letter 1854-W**

Customer Bill Impact: A surcharge of \$0.126 is applied to each 748 gallons (1 Ccf) billed. The monthly bill of a residential customer with a 5/8" x 3/4" meter using 14 Ccf would increase by \$1.76.

Description: Golden State Water is authorized to track and recover litigation costs associated with Golden State Water's ongoing efforts to protect its groundwater rights in the Santa Maria Groundwater Basin. The stipulation ensures that Golden State Water has the right to obtain the necessary water supplies to meet customer demands, that there is equitable cost sharing among basin users, and that the basin water supplies are adequately managed. Golden State Water is required to submit an annual update and revise the temporary surcharge to recover the authorized Santa Maria Water Rights litigation-related expenses incurred pre-December 31, 2005, and post-December 31, 2005.

Expiration: May 21, 2023

Simi Valley

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.095 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Southwest

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.121 is applied to each 748 gallons (1 Ccf) billed.

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Expires: N/A; Rates are recalibrated every three years in accordance with the GRC filing.

Wrightwood

- **CAP Surcharge: Advice Letter 1842-W**

Customer Bill Impact: A surcharge of \$0.062 is applied to each 748 gallons (1 Ccf) billed.

Description: The CPUC has authorized Golden State Water to implement the Customer Assistance Program (CAP) to assist low-income families. Golden State Water's CAP provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

Expires: Rates are recalibrated every three years in accordance with the GRC filing.

Glossary

California Public Utilities Commission (CPUC): The CPUC regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies. The CPUC serves the public interest by protecting consumers and ensuring the provision of safe, reliable utility service and infrastructure at just and reasonable rates, with a commitment to environmental enhancement and a healthy California economy.

Customer Assistance Program (CAP): The program provides a monthly credit for eligible customers based upon the same income qualification guidelines that are used by the electric and gas CARE programs. As part of the program, the CPUC authorizes Golden State Water to track and recover costs associated with the administration of the program.

WRAM/MCBA Balancing Accounts: During the ratemaking process, regulated utilities forecast water usage to ensure revenue recovered from rates balances with expenses to operate, maintain and improve the water system. A large portion of these costs are fixed, meaning they don't change as usage changes. Companywide, fixed costs average 73 percent of Golden State Water's expenses.

When water usage and water supply costs do not match the forecasted level and the revenue collected either exceeds or falls short of the authorized amount, the WRAM and MCBA are used to achieve the financial balance. The WRAM ensures any under-collected revenue is recovered with a temporary surcharge, and revenue that exceeds the CPUC-authorized amount is returned to customers in the form of a temporary surcredit.

The MCBA ensures any savings associated with lower water supply costs are credited to the customers, and any water supply costs that are lower than the CPUC authorized level are returned to the customer in the form of a surcredit. Vice Versa, any supply costs that exceed the CPUC-authorized levels are recovered in the form of a temporary surcharge. This process provides transparency and accountability but can also present challenges during times of drought and reduced water usage.

Given unprecedented statewide conservation requirements, water utilities in every community must make adjustments to account for revenue shortfalls resulting from reduced usage. This is a challenge for all water providers, regulated and municipal.