

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Golden State Water Company (U 133 W) for an Order Pursuant to Public Utilities Code Section 851 Approving a Settlement in a Water Rights Adjudication, and for an Order Pursuant to Section 454 Approving the Proposed Ratemaking Treatment of the Costs of the Adjudication and Settlement.

Application 06-02-026 (Filed February 24, 2006)

ADMINISTRATIVE LAW JUDGE'S RULING FOLLOWING STATUS CONFERENCE

This matter came before the Commission on a telephonic status conference held on Tuesday, January 30, 2007, conducted by the assigned Administrative Law Judge (ALJ). Those parties participating in the conference call included Joe Karp and Keith Switzer for Golden State Water Company (Golden State), the applicant; Maria Bondonno and Jim Simmons, Division of Ratepayer Advocates; Donald Ward for Orcutt Area Advisory Group; and Stewart Johnson for the Landowner Group.

The participants discussed the status of the proceeding, the underlying Superior Court groundwater adjudication, and settlement efforts. Several of the parties appear to have reached a settlement concerning past and prospective attorneys' fees incurred by Golden State in the groundwater adjudication. One of the parties to the settlement of the groundwater adjudication is studying other alternatives to the proposed pipeline, and this study will continue into the summer — thus creating uncertainties for the settlement and this proceeding. Because of the 18-month deadline for completing applications such as in this proceeding, the participants discussed the advantages and disadvantages of phasing or dismissing this action.

Based on these discussions, IT IS RULED that:

Golden State shall file and serve any proposed settlement concerning attorneys' fees on or before Friday, February 16, 2007. Golden State may include in its pleadings any arguments concerning the phasing or dismissal of this proceeding, based on uncertainties concerning the settlement described in the original application. Other parties may join all or part of Golden State's motion, as well as raise any arguments they may have concerning the phasing or dismissal of this proceeding.

The parties shall file any reply comments on or before Friday, February 23, 2007.

Dated January 31, 2007, at San Francisco, California.

/s/ JOHN E. THORSON John E. Thorson Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

Dated January 31, 2007, at San Francisco, California.

/s/ JOYCE TOM Joyce Tom