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Sent: 12/15/2011 11:22:13 AM  
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: CPUC Fines Golden State Water \$1 Million and Orders \$9.5 Million in Customer Refunds: CPUC Press Release

**FOR IMMEDIATE RELEASE  
RELEASE**

**PRESS**

Media Contact: Terrie Prosper, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)  
Docket #: A.10-01-009

## **CPUC FINES GOLDEN STATE WATER \$1 MILLION AND ORDERS \$9.5 MILLION IN CUSTOMER REFUNDS**

SAN FRANCISCO, December 15, 2011 - The California Public Utilities Commission (CPUC) today fined Golden State Water Company \$1 million and ordered \$9.5 million in refunds to customers for Golden State's lack of management oversight, which led to overpayment by customers.

Golden State Water will refund \$9.5 million to customers in the Arden Cordova, Bay Point, Clear Lake, Los Osos, Ojai, Santa Maria, and Simi Valley Service Areas over the next three years. Golden State must also reduce plant costs by \$2.5 million, which will result in lower future rates and reduce other amounts owed by certain customers by \$.5 million.

Said CPUC President Michael R. Peevey, "Today's decision approves a settlement that was entered into after a robust investigation into allegations that Golden State Water did not exercise reasonable management oversight and failed to apply adequate internal controls over its procurement for plant improvements."

The \$1 million fine, payable to the state's General Fund by Golden State Water

shareholders, was levied for not informing the CPUC of Golden State's internal control failures and the impact of those deficiencies on rates.

To ensure that Golden State Water's improper practices were remedied and did not occur in other regions, over the next 10 years the CPUC will conduct three additional independent audits and require Golden State Water's management to report on internal controls related to the company's procurement practices.

The proposal voted on is available at [http://docs.cpuc.ca.gov/WORD\\_PDF/AGENDA\\_DECISION/155485.pdf](http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/155485.pdf).

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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