

A.12-07-005

DRA EXHIBIT 2

DRA's 3/01/2013 Errata to Amended Report (Exhibit 1) served on 11/07/2012

Exhibit 2 is comprised of three pages that will replace pages 3-6, 3-7 and 5-12 of DRA Amended Report (Exhibit 1). Pages 3-6 and 3-7 contain a revised Table F-1 and page 5-12 contains a revised Table H-1-2. The original pages contained some information that was not legible.

1 account to be reasonable because the company's request represents a modest 2.26%, or
 2 \$781 increase, over its base year expenditures.

3 **C. CONCLUSION**

4 DRA has reviewed GOWC's work papers testimony, conducted a trending
 5 analysis of the GOWC's work papers, and reviewed GOWC's responses to DRA's data
 6 requests, e-mail and other inquiries. DRA finds that GOWC's requested dollar amounts
 7 for Operations and Maintenance expenses to be reasonable for the reasons stated above.

TABLE F-1

GREAT OAKS WATER COMPANY
 (2013/2014)

OPERATION AND MAINTENANCE EXPENSES

Item	DRA Estimates	Utility Estimates	GOWC Exceed DRA Amount	%
(Dollars in Thousands)				
Operating Expenses Other than Payroll				
Groundwater Charges, Acct. 700	6,557.80	6,557.80	0	0%
Purchased Power, Acct 726	780.40	780.40	0	0%
Total Volume Related Expenses	7,338.20	7,338.20	0	0%
Maintenance Expenses:				
Maint. of Pump Equip, Wells Acct 711/732	17.92	17.92	0	0%
Chemicals & Filtering, Acct 744	0.05	0.05	0	0%
Meter Expense, Acct 754	1.55	1.55	0	0%
T&D Maint & Supv, Acct 753,758	0.80	0.80	0	0%
Maint of Reservoirs & Tanks, Acct 760				
Maint of T&D Mains, Acct 761	36.71	36.71	0	0%
Maint of Services, Acct 763	36.18	36.18	0	0%
Maint of Meters, Acct 764	7.94	7.94	0	0%
Maint of Hydrants, Acct 765	17.40	17.40	0	0%
Maint of General Plant, Acct 805	35.30	35.30	0	0%
Customer Records & Collection, Acct 773	143.78	143.78	0	0%
Uncollectible Accounts, Acct 775	44.38	44.38	0	0%
8 Total O&M Expenses	7,680.22	7,680.22	0	0%

(Revised) TABLE F-1

GREAT OAKS WATER COMPANY
(2013/2014)

OPERATION AND MAINTENANCE EXPENSES

Item	DRA Estimates	Utility Estimates	GOWC Exceed DRA Amount	%
(Dollars in Thousands)				
Operating Expenses Other than Payroll				
Groundwater Charges, Acct. 700	\$ 6,557.80	\$ 6,557.80	0	0%
Purchased Power, Acct 726	780.40	780.40	0	0%
Total Volume Related Expenses	7,338.20	7,338.20	0	0%
Maintenance Expenses:				
Maint. of Pump Equip, Wells Acct 711/732	17.92	17.92	0	0%
Chemicals & Filtering, Acct 744	0.05	0.05	0	0%
Meter Expense, Acct 754	1.55	1.55	0	0%
T&D Maint & Supv, Acct 753,758	0.80	0.80	0	0%
Maint of Reservoirs & Tanks, Acct 760				
Maint of T&D Mains, Acct 761	36.71	36.70	0	0%
Maint of Services, Acct 763	36.20	36.20	0	0%
Maint of Meters, Acct 764	7.94	7.94	0	0%
Maint of Hydrants, Acct 765	17.40	17.40	0	0%
Maint of General Plant, Acct 805	35.30	35.30	0	0%
Customer Records & Collection, Acct 773	143.78	143.78	0	0%
Uncollectible Accounts, Acct 775	43.20	43.20	0	0%
Total O&M Expenses	\$ 7,679.06	\$ 7,679.05	0.0	0%

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(Revised) TABLE H -1-2
GREAT OAKS WATER COMPANY
Income Tax
2013/2014
At Proposed Rates

Items	DRA Estimates	Utility Estimates	GOWC Exceeds DRA Amount	%
Operating Revenues	\$ 14,360.3	\$ 15,446.6	\$ 1,086	8%
Expenses:				
Oper & Maint/A&G Expenses	\$ 10,006.9	\$ 10,854.4	848	8%
Payroll	\$ 1,791.0	\$ 2,037.4	246	14%
Taxes Other Than Income	\$ 316.1	\$ 329.5	13	4%
Deferred Income Taxes	\$ -	\$ 76.7	77	-
Depreciation Expense	\$ 1,297.8	\$ 1,020.2	(278)	-21%
Interest Expense	\$ 180.8	\$ 231.7	51	28%
Total Operating Expenses Excluding Income Taxes	\$ 13,592.6	\$ 14,550.0	957	7%
Taxable Income, CCFT	\$ 767.7	\$ 1,163.0	395	51%
CCFT Rate (8.84%)	8.84%	\$ 0.1	0	0%
Current Calif. Corp. Franchise Tax	\$ 67.9	\$ 102.8	35	51%
Deductions				
Normalized Tax Depreciation	\$ 876.5	\$ (1,020.2)	(1,897)	-216%
Interest Expense	\$ -	\$ 231.7	232	-
FIT Taxable Income	\$ 1,063.5	\$ 994.6	(69)	-6%
FIT	\$ 362.1	\$ 338.1	(24)	-7%
FIT (Before Adjustment)	\$ 362.1	\$ 338.1	(24)	-7%

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