

**SAN GABRIEL VALLEY WATER COMPANY  
FONTANA WATER COMPANY DIVISION**

**NOTICE OF PUBLIC PARTICIPATON HEARING REGARDING SAN GABRIEL VALLEY WATER  
COMPANY’S REQUEST TO INCREASE RATES FOR THE 2019 GENERAL RATE CASE  
APPLICATION NO. 19-01-001**

**June 24, 2019, at 6:00 PM  
Fontana City Council Chambers  
8353 Sierra Ave.  
Fontana, CA 92335**

A Public Participation Hearing (PPH) has been scheduled at the date, time, and place listed above to receive your comments about San Gabriel Valley Water Company’s (San Gabriel) General Rate Case (GRC) Application No. 19-01-001 (Application). A California Public Utilities Commission (CPUC) Administrative Law Judge (Judge) will preside at the PPH to listen to concerns, comments, and opinions on the proposed application. **One or more CPUC Commissioners may attend, but no decisions will be reached at this hearing.**

The hearing location is wheelchair accessible. Spanish language translators will be available for those who need them. If you need a different non-English language translator or special assistance, please contact the CPUC’s Public Advisor’s Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend the PPH, you may submit your comments via a letter or email to the PAO.

On January 2, 2019, San Gabriel filed its GRC Application A.19-01-001 with the CPUC, requesting to increase water rates. The Application requests rate increases in its Los Angeles County and Fontana Water Company Divisions covering the fiscal years (July - June) 2020-2021 through 2022-2023. San Gabriel has requested total revenue increases (in both its Los Angeles County and Fontana Water Company divisions) of \$13,726,700 or 9.6% in July 2020, \$11,574,300 or 7.3% in July 2021, and \$6,981,100 or 4.1% in July 2022.

**FONTANA WATER COMPANY DIVISION CUSTOMER IMPACT**

If approved by the CPUC, the effects of the proposed increases on the various customer classes in the Fontana Water Company Division are shown as follows:

<b><u>Customer Class</u></b>	<b><u>Present Rates</u></b> \$	<b>Requested Increases by Year and Customer Class</b> (Dollars in Thousands)					
		<b>Requested Increase</b>					
		<b><u>2020-2021</u></b>		<b><u>2021-2022</u></b>		<b><u>2022-2023</u></b>	
	\$	%	\$	%	\$	%	
Residential	\$41,899.7	\$6,152.0	14.7%	\$2,579.0	5.2%	\$1,559.2	2.9%
Commercial	\$11,147.8	\$1,515.7	13.6%	\$1,022.6	8.0%	\$614.3	4.4%
Industrial	\$6,994.9	\$900.0	12.9%	\$631.5	8.1%	\$377.3	4.5%
Public Authority	\$5,337.8	\$713.5	13.4%	\$483.2	8.0%	\$287.6	4.4%
Construction	\$619.2	\$78.9	12.7%	\$56.5	8.1%	\$34.0	4.5%
Recycled Water	\$1,077.9	\$83.1	7.7%	\$106.7	9.6%	\$122.4	10.9%
Private Fire Svc.	\$1,107.5	\$183.7	16.6%	\$100.3	7.6%	\$59.3	4.1%
Miscellaneous	\$513.4	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
<b>Total</b>	<b>\$68,698.2</b>	<b>\$9,626.9</b>	<b>14.0%</b>	<b>\$4,979.8</b>	<b>6.2%</b>	<b>\$3,054.1</b>	<b>3.6%</b>

If the proposed rates are approved by the CPUC, the average monthly bill for a residential customer with a 5/8 x 3/4-inch meter using 15 hundred cubic feet (Ccf) (11,221 gallons) of water will increase as follows (includes the CARW<sup>1</sup> surcharge):

Residential Customer	Present Rates <sup>2</sup>	Proposed 2020 Increase	New Bill	Proposed 2021 Increase	New Bill	Proposed 2022 Increase	New Bill
15 Ccf	\$68.36	\$8.96 (13.1%)	\$77.32	\$5.90 (7.6%)	\$83.22	\$3.51 (4.2%)	\$86.73

The monthly charge for private fire service would increase from \$10.97 currently, to \$12.79 or 16.6% on July 1, 2020, \$13.76 or 7.6% on July 1, 2021, and \$14.32 or 4.1% on July 1, 2022, per inch diameter of service.

San Gabriel also requests to make payments to pay off the balances in some reserve accounts<sup>3</sup>, the impact of which cannot be determined at this time.

### REASONS FOR REQUESTED INCREASES

The principal reasons for the requested rate increases include:

- Declines in per-customer water sales,
- Increases in expenses for water supply and pumping, materials and supplies, insurance, employee healthcare and benefits,
- The need to construct additional water facilities, including treatment facilities to remove Perchlorate and Nitrate, water mains, pipes and service lines, storage tanks, pumps, meters, hydrants, supply wells, and
- The need to replace service vehicles to meet expected demands for service, and to assure continued compliance with all applicable safe drinking water quality standards.

### OBTAINING A COPY OF THE APPLICATION

The Application and related exhibits may be inspected at San Gabriel's Fontana Water Company Division office located at:

15966 Arrow Route  
Fontana, CA 92335  
(909) 822-2201  
(800) 784-7040

The Application may also be reviewed in person at the CPUC's Central Files Office by appointment. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or 1-415-703-2045.

### THE CPUC'S PROCESS

The Application has been assigned to a Judge, who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held, where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision determining whether to adopt all or part San Gabriel's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision, and the issue will be decided at a scheduled Commission Voting Meeting.

The CPUC's Public Advocates Office (CalPA) has reviewed San Gabriel's application. CalPA is the

<sup>1</sup> California Alternative Rates for Water

<sup>2</sup> As of January 2019

<sup>3</sup> Power Cost Balancing Account, Previously Authorized Balances Balancing Account, CARW Balancing Account, Water Revenue Adjustment Mechanism, Conservation Program Balancing Account, Water Conservation Memorandum Account, School Lead Testing Memorandum Account, Water-Energy Nexus Memorandum Account, 2018 Tax Act Memorandum Account, Cost of Capital Memorandum Account, Cost of Capital Interim Rate Memorandum Account, Cost of Capital Litigation Memorandum Account.

independent consumer advocate with the CPUC with a legislative mandate to represent customers of investor-owned utilities. For more information about CalPA, please call (415) 703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit CalPA's website at <http://www.publicadvocates.cpuc.ca.gov>.

#### STAY INFORMED

The CPUC offers a free Subscription Service available on the CPUC web site at <http://subscribe.puc.ca.gov/>, which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may access the CPUC's Public Advisor's Office webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the Public Advisor's Office as follows:

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)  
Write: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074  
1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please reference **San Gabriel's GRC Application No. A.19-01-001** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, Commissioners, and appropriate CPUC staff.