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

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

On January 2, 2019, San Gabriel Valley Water Company (San Gabriel) filed a general rate case (GRC) application A.19-01-001 (Application) with the California Public Utilities Commission (CPUC) 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 effect of the proposed increases on the various customer classes in the Fontana Water Company Division is shown as follows:

**Requested Increases by Year and Customer Class  
(Dollars in Thousands)**

<b>Customer Class</b>	<b>2020-2021</b>		<b>2021-2022</b>		<b>2022-2023</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Residential	\$6,152.0	14.7%	\$2,579.0	5.2%	\$1,559.2	2.9%
Commercial	\$1,515.7	13.6%	\$1,022.6	8.0%	\$614.3	4.4%
Industrial	\$900.0	12.9%	\$631.5	8.1%	\$377.3	4.5%
Public Authority	\$713.5	13.4%	\$483.2	8.0%	\$287.6	4.4%
Construction	\$78.9	12.7%	\$56.5	8.1%	\$34.0	4.5%
Recycled Water	\$83.1	7.7%	\$106.7	9.6%	\$122.4	10.9%
Private Fire Service	\$183.7	16.6%	\$100.3	7.6%	\$59.3	4.1%
Total	\$9,626.9	14.0%	\$4,979.8	6.2%	\$3,054.1	3.6%

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 (includes the CARW<sup>1</sup> surcharge) will increase as follows:

<b>Residential Customer</b>	<b>Present Rates<sup>2</sup></b>	<b>Proposed 2020 Increase</b>	<b>New Bill</b>	<b>Proposed 2021 Increase</b>	<b>New Bill</b>	<b>Proposed 2022 Increase</b>	<b>New Bill</b>
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 be increased to \$12.79 on July 1, 2020, \$13.76 on July 1, 2021, and \$14.32 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.

<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.

## 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 CPUC'S PROCESS

The Application will be assigned to an Administrative Law Judge (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 (Cal PA) may review San Gabriel's application. Cal PA is the independent consumer advocate with the CPUC with a legislative mandate to represent customers of investor-owned utilities. For more information about Cal PA, please call (415) 703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit Cal PA's website at <http://www.publicadvocates.cpuc.ca.gov>.

## STAY INFORMED

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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.