



CPUC Fact Sheet

PUBLIC PARTICIPATION HEARING



San Gabriel Valley Water Company – General Rate Case Application (A.22-01-003)

July 7, 2022: 2PM / 6PM

July 11, 2022: 2PM / 6PM

The following information is taken directly from San Gabriel's January 3, 2022 application, **Los Angeles Division**, to the CPUC.

What is this Rate Application About?

Every three years, the California Public Utilities Commission (CPUC) requires San Gabriel Valley Water Company (San Gabriel) to file a General Rate Case (GRC) application. This application allows the CPUC to take a broad, in-depth look at San Gabriel's income and expenses and consider quality of service and other factors, and then decide whether to raise or lower San Gabriel's rates, and whether to require other changes in San Gabriel's operations. A proposed decision in San Gabriel's GRC is expected in May of 2023 for rates to take effect on July 1, 2023.

In this application, San Gabriel is requesting that the CPUC approve a rate increase.

What Increases in Revenue is San Gabriel Requesting to be Funded Through Customer Water Bills for the Period of 2023-2026?¹

For 2023-2024: \$10.79 million (13.1%) above present revenues

For 2024-2025: \$4.85 million (5.2%) above proposed 2023-2024 revenues

For 2025-2026: \$5.04 million (5.1%) above proposed 2024-2025 revenues

What Types of Additional Costs Does San Gabriel Say it Needs to Recover?

San Gabriel is requesting to recover costs for proposed new capital investments to replace and upgrade its water system and facilities as well as for additional administrative, general, and labor costs. San Gabriel's application requests:

Proposed new capital investments:

- **Infrastructure Replacement:** \$4.1 million 3-year capital expenditure budget increase for capital investments in facility retirements, improvements, and replacements; replacement reservoirs; and improved water treatment systems

Increases for costs of operation over the three-year GRC period:

- **Employee Labor Costs:** \$3.7 million increase in expected payroll, pensions, and benefits costs
- **Taxes and Fees:** \$0.72 million increase including state and federal income taxes, sales and property taxes, and payroll taxes.

¹ The amount of revenue to be authorized is based on the forecasted operating and capital costs of doing business. This, combined with forecasted water sales and number of customers, produces the necessary changes in rates.

- **Insurance:** \$0.45 million increase reflecting expected increases in insurance premiums
- **Outside Services:** \$0.33 million increase including costs of accounting, water treatment and operation, and other contracted services.
- **Materials and Supplies:** \$0.30 million increase including conservation expenses and water treatment costs.

Decreased sales forecasts:

- **Proposed \$7.8 million increase in revenues to address projected declining commodity sales**
San Gabriel predicts declining revenues from declining quantities of water supplied, in part due to the conservation efforts associated with ongoing drought conditions. As a result, San Gabriel requests an increase in rates to achieve the revenue necessary to provide safe and reliable water service.

What are the Residential Bill Impacts Based on Requested Revenue Increases?

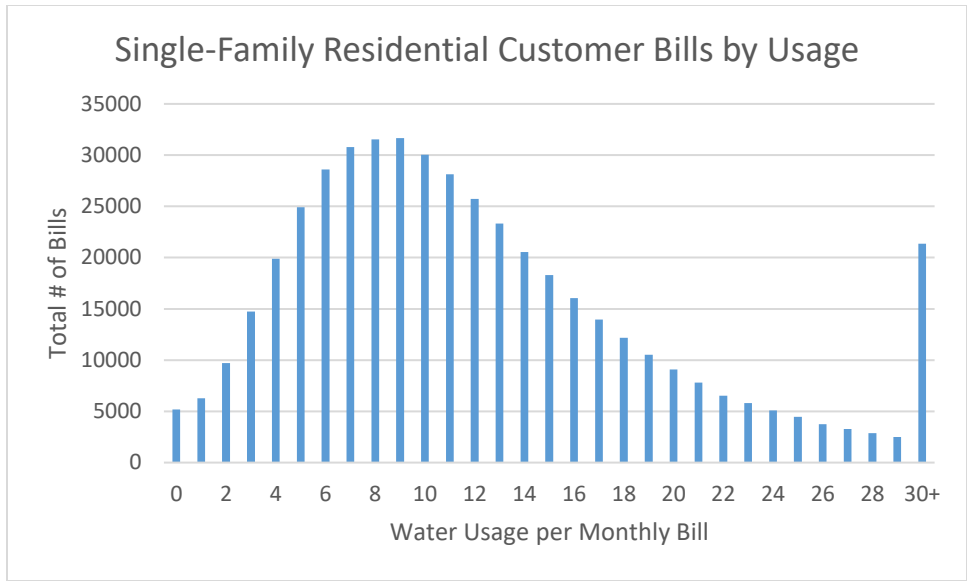
Excluding CPUC fee, City Tax, surcharges and refunds, an average residential customer with a 5/8-inch meter using 11 CCF (1 CCF = 748 gallons) every month will see an increase in their monthly bill from \$71.41 in July of 2022 to \$76.93 in July of 2023, a 7.7% increase. The same bill is estimated to be \$86.47 in July of 2024 and \$91.20 in July of 2025, resulting in an overall 27.71% rate increase over 3 years.

Three-Year Cumulative Impact to Base Charges	
Total Increase	Total % Increase
\$19.79	27.71%

Monthly Service Charge				
Meter Size	Present Rates (AL 573)	2023-2024 (% Increase)	2024-2025 (% Increase)	2025-2026 (% Increase)
5/8-inch	\$26.13	\$28.52 (9.15%)	\$30.16 (5.75%)	\$31.86 (5.64%)
3/4-inch	\$39.20	\$42.79 (9.16%)	\$45.25 (5.75%)	\$47.79 (5.61%)
1-inch	\$65.34	\$71.33 (9.17%)	\$75.42 (5.73%)	\$79.66 (5.62%)

Water Usage Quantity Rate*				
Usage Range	Present Rates (AL 573)	2023-2024 (% Change)	2024-2025 (% Change)	2025-2026 (% Change)
0 to 11 CCF	\$3.7497	\$4.4343 (18.26%)	\$4.7000 (5.99%)	\$4.9759 (5.87%)
Over 11 CCF	\$4.2579	\$5.0994 (19.76%)	\$5.4050 (5.99%)	\$5.7223 (5.87%)

The graph below shows the distribution of monthly metered water usage per bill amongst residential customers for calendar year 2021. It illustrates that approximately 55% of monthly bills during this period were less than or equal to the average water usage of **11 CCF**.



What Other Requests are Pending for San Gabriel?

Besides this GRC, there is one other pending application (A.20-10-004) for San Gabriel regarding the acquisition of the City of Montebello municipal water system. Below is the cumulative impact of San Gabriel’s requests on the Los Angeles County division. Under San Gabriel’s proposals, a residential customer with a 5/8-inch meter using 11 CCF of water per month will see the following increases in monthly bills if San Gabriel’s requests are granted.

Proceeding	Cumulative Change (\$)	Cumulative Change (%)
2023-2026 GRC (A.22-01-003)	\$19.79	27.8%
Montebello Acquisition (A.20-10-004) ²	-\$0.18	-0.3%
Cumulative Three-Year Increase	\$19.61	27.5%

How Can I Have My Voice Heard and Find out More?

- File public comment on the proceeding on the CPUC’s virtual docket card website through the “Public Comment” tab at <https://apps.cpuc.ca.gov/c/A2201003>. You can also subscribe to receive email updates about the proceeding or browse documents that have already been filed.
- Attend the Public Participation Hearing by phone or video at <https://www.cpuc.ca.gov/pph>.
- The CPUC’s Public Advisor’s Office provides information for the public to get involved in proceedings at: <https://www.cpuc.ca.gov/pao>. You can also contact the Public Advisor at public.advisor@cpuc.ca.gov or mail a letter to CPUC, Public Advisor’s Office, 505 Van Ness Ave., San Francisco, CA 94102.
 - Make sure to include the proceeding number **A.22-01-003**.
- The Public Advocates Office is an independent consumer advocate within the CPUC who will review, audit, and submit formal testimony on San Gabriel’s GRC application. Its website is: <https://www.publicadvocates.cpuc.ca.gov>.
- The CPUC’s Water Division provides information on the regulatory process for water utilities at: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division/>.

² This bill impact is provided for illustrative purposes only and assumes ratemaking integration with the LA Division in July 2023.