

**NOTICE OF PUBLIC PARTICIPATON HEARING
SAN GABRIEL VALLEY WATER COMPANY
REQUEST TO INCREASE RATES
FONTANA WATER COMPANY DIVISION
APPLICATION NO. 16-01-002**

**July 27, 2016, 6:00 PM
Fontana City Council Chambers, 8353 Sierra Avenue
Fontana, CA 92335**

A Public Participation Hearing (PPH) has been scheduled at the date and time listed above to receive your comments about San Gabriel Valley Water Company’s (SGVWC) General Rate Case (GRC) Application No. 16-01-002. 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.

The hearing location is wheelchair accessible. A Spanish language translator will be at the hearing for those who need it. 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.

SGVWC’s APPLICATION-On January 4, 2016, SGVWC filed a GRC application (A.16-01-002) with the CPUC to request an increase in water rates for its Fontana Water Company Division. The CPUC requires SGVWC to file a GRC every three years. This GRC requests rate increases for the next three fiscal years (2017 to 2019). If the request is approved, beginning July 1, 2017, rates would increase by \$20,607,600 (or 38.6%), on July 1, 2018, by \$1,760,400 (or 2.3%) and July 1, 2019, by \$2,664,800 (or 3.4%). If the full request is approved, it would be a total increase of \$25,032,800 (or 46.9%) over the three-year period.

CUSTOMER IMPACT-The proposed increases on the various customer classes for each year are as follows:

Customer Class	Annual Proposed Increases (Dollars in Thousands)					
	<u>2017-2018</u>		<u>2018-2019</u>		<u>2019-2020</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Residential	14,013.7	39.0	1,155.8	2.3	1,876.5	3.6
Commercial	3,010.1	38.8	268.1	2.4	360.9	3.1
Industrial	1,319.7	39.4	135.1	2.7	132.1	2.1
Public Authority	1,706.7	39.1	158.8	2.5	182.2	2.7
Construction	140.9	39.7	14.4	2.8	9.5	1.8
Recycled Water	114.9	32.3	12.7	2.0	14.9	2.3
Private Fire Service	301.7	35.9	15.5	1.3	88.8	7.4
Total	20,607.6	38.6	1,760.4	2.3	2,664.8	3.4

The monthly bill for a typical residential customer with a 5/8 x 3/4-inch meter using 19 hundred cubic feet (ccf) of water per month is shown below (including surcharges).

Fiscal Year	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Present Rates	\$65.62	\$96.64	\$98.86
Amount of Increase	\$31.02	\$2.21	\$2.69
Proposed Rates	\$96.64	\$98.86	\$101.55
Percent of Increase	47.3%	2.3%	2.7%

However, for the typical residential customer with a 5/8 x 3/4-inch meter that reduces their water usage by 28% (to approximately 14 ccf) the increase in fiscal year 2017-2018 will be \$9.36 (or 14.3%). The 28% reduction was the mandatory water conservation reduction percentage set by the State Water Resources Control Board in Resolution No. 2015-0032.

The monthly charge for private fire service would increase from the current rate of \$9.37 per inch diameter of service to \$12.73 on July 1, 2017, \$12.90 on July 1, 2018, and \$13.86 on July 1, 2019. The fixed charges placed on users who consume water during construction are proposed to be eliminated.

REASONS FOR INCREASE

- Significant declines in per-customer water sales,
- Increases in major expense items such as water treatment expenses,
- Increased utility plant investment, and
- The need to construct additional and replacement water treatment plants, storage, and distribution facilities. This construction will meet expected demands for service and assure compliance with all applicable safe drinking water quality standards.

OBTAINING A COPY OF THE APPLICATION-The application and related exhibits may be reviewed at SGVWC's Fontana Water Company division office located at 15966 Arrow Route, Fontana, CA 92335, (909) 822-2201 or (800) 784-7040. A copy of the application can also be viewed at the CPUC's Central Files in San Francisco by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS-After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt SGVWC's request, modify it, or deny it. Any of the CPUC's Commissioners may sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted upon at a scheduled Commission Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) has reviewed this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit the Office of Ratepayer Advocate's website at www.ora.ca.gov.

STAY INFORMED-If you would like to follow this proceeding or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or if you have questions about the CPUC's processes, you may access the CPUC's Public Advisor's webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the Public Advisor as follows:

Email: public.advisor@cpuc.ca.gov

Write: CPUC

Public Advisor's Office

505 Van Ness Avenue

San Francisco, CA 94102

Call: 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 SGVWC's Application No. 16-01-002 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 for the Judge, the Commissioners, and appropriate CPUC staff.