



PUBLIC PARTICIPATION HEARING

Suburban Water Systems (San Jose Hills District & Whittier/La Mirada District)

General Rate Case Application (A.23-01-001)

August 1, 2023

What is this Rate Application About?

Every three years, The California Public Utilities Commission (CPUC) requires Suburban Water Systems' (Suburban) to file a General Rate Case (GRC) application. A GRC allows the CPUC to take a broad, in-depth look at a Suburban's revenues and expenses and consider quality of service and other factors, and then decide whether to raise or lower Suburban's rates, and whether to require other changes in Suburban's operations. As part of a GRC proceeding, a water company requests revenues for the next three years based on its forecasted expenses and necessary investments and must justify the rate increase. Parties to the proceeding then examine and comment on the request in a public process before the CPUC.

Pursuant to this requirement, on January 1, 2023, Suburban filed Application A.23-01-001 requesting an increase¹ in revenues for 2024, 2025, and 2026. Below is information on Suburban's General Rate Case. The Commission's procedural schedule anticipates a proposed decision in the 4th quarter of 2023.

What is Suburban Requesting in A.23-01-001?²

Increases in Revenue to be Recovered:

- 2024: \$19.74 million (19.79%) above current revenues
- 2025: \$6.40 million (5.49%) above proposed 2024 revenues
- 2026: \$6.39 million (5.20%) above proposed 2025 revenues

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.

¹ There will likely be other increases outside of the three-year GRC period. The company can request to increase rates if certain operating costs, such as electricity, and purchased water, increase.

² The values for 2025 and 2026 are estimated. The actual increases may differ based on the company's recorded data and the inflation forecast for each year.



What are the Main Reasons Suburban Cites for Needing to Increase Rates?

- **Depreciation Expenses:** \$1,713,955 (accounts for 8.67% of total proposed 2024 revenue increase)
- **Parent Company Allocation Expenses:** \$1,509,779 (accounts for 7.64% of total proposed 2024 revenue increase)
- **Payroll Expenses:** Proposed 2 new positions - \$3,071,770 (accounts for 15.54% of total proposed 2024 revenue increase)
- **Volume-Related Expenses:** Increased pumped water costs - \$3,703,905 (accounts for 18.74% of total proposed 2024 revenue increase)

How will Suburban’s Request Impact Me?

Three-Year Cumulative Bill Impact					
	San Jose Hills			Whittier/La Mirada	
	Total Increase	Total % Increase		Total Increase	Total % Increase
Area 1	\$19.24	29.78%	Area 1	\$18.91	32.33%
Area 2	\$20.23	30.04%	Area 2	\$20.00	32.83%
Area 3	\$22.26	32.66%	Area 3	\$20.67	31.75%

San Jose Hills District – Proposed Annual Increase*							
Area	Current: 1/1/2023	1/1/2024	% Increase	1/1/2025	% Increase	1/1/2026	% Increase
1	\$65.72	\$76.56	16.49%	\$80.76	5.49%	\$84.96	5.20%
2	\$67.34	\$78.91	17.18%	\$83.24	5.49%	\$87.57	5.20%
3	\$68.15	\$81.47	17.82%	\$85.94	5.49%	\$90.41	5.20%

Whittier/La Mirada District – Proposed Annual Increase*							
Area	Current: 1/1/2023	1/1/2024	% Increase	1/1/2025	% Increase	1/1/2026	% Increase
1	\$58.49	\$69.74	19.23%	\$73.57	5.49%	\$77.40	5.20%
2	\$60.92	\$72.92	19.70%	\$76.92	5.49%	\$80.92	5.20%

* Average residential rates. There are special, low-income rates with Suburban’s LIRA Program.



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3	\$65.11	\$77.30	18.72%	\$81.54	5.49%	\$85.78	5.20%
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Rate Impacts from GRC Request (Not including CPUC fee, surcharges, refunds, or city tax)					
Service Charge (Meter Size)	Block 1 Usage Up to (per ccf/mo)	Current Eff. 1/1/2023	Proposed		
			Eff. 1/1/2024	Eff. 1/1/2025	Eff. 1/1/2026
5/8"	20	\$16.30	\$18.69	\$19.08	\$20.07
3/4"	20	\$24.44	\$28.04	\$28.62	\$30.11
1-inch	28	\$40.74	\$46.73	\$47.70	\$50.18
Quantity Rate – San Jose Hill					
Tariff Area No. 1	Block 1	\$3.935	\$4.732	\$5.113	\$5.379
	Block 2	\$4.417	\$5.312	\$5.740	\$6.038
Tariff Area No. 2	Block 1	\$4.095	\$4.925	\$5.321	\$5.598
	Block 2	\$4.514	\$5.428	\$5.865	\$6.170
Tariff Area No. 3	Block 1	\$4.271	\$5.136	\$5.549	\$5.838
	Block 2	\$4.881	\$5.870	\$6.343	\$6.673
Quantity Rate – Whittier/La Mirada					
Tariff Area No. 1	Block 1	\$3.376	\$4.172	\$4.390	\$4.618
	Block 2	\$3.811	\$4.710	\$4.956	\$5.214
Tariff Area No. 2	Block 1	\$3.588	\$4.433	\$4.665	\$4.908
	Block 2	\$3.956	\$4.889	\$5.145	\$5.413
Tariff Area No. 3	Block 1	\$3.878	\$4.793	\$5.043	\$5.305
	Block 2	\$4.207	\$5.199	\$5.471	\$5.756

What Other Requests are Pending for Suburban?

There are currently no other pending applications for Suburban.



Where Can I Go for Further Information on the Proceeding?

- The CPUC will hold Public Participation Hearings for Suburban customers to have their voices heard. The assigned Administrative Law Judge will preside at these hearings and a court reporter will transcribe the hearings. For Further information on these hearings, please visit <https://www.cpuc.ca.gov/PPH/>.
- Customers can submit electronic comments specific to this proceeding and review all other public comments submitted by using the “Add Public Comment” tab of the docket card for A.23-01-001 at <https://apps.CPUC.ca.gov/c/A2301001>
- To view all formal filings in this proceeding including Suburban’s original and updated application, as well as the proposed decision when issues, go to <https://apps.CPUC.ca.gov/c/A2301001>
- To review Suburban’s Application, or to request a copy of all exhibits, including supporting testimony, please go to: www.swwc.com/suburban/
- To The Public Advocates Office is an independent consumer advocate within the CPUC who will review, audit, and submit formal testimony on Suburban’s application. Its website is: <https://www.publicadvocates.cpuc.ca.gov>
- The CPUC’s Water Division provides information on the regulatory process for water utilities: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division>.
- The CPUC’s Public Advisor can be contacted by email at public.advisor@cpuc.ca.gov or by phone at (866) 849-8390.
- Subscribe to receive documents related to this proceeding at <http://subscribecpuc.cpuc.ca.gov/>