



PUBLIC PARTICIPATION HEARING

San Gabriel Valley Water Company

Water Cost of Capital Application (A.23-05-001)

November 9, 2023



What Is This Application About?

Every three years, the California Public Utilities Commission (CPUC) requires San Gabriel Valley Water Company (San Gabriel) to file a Cost of Capital (CoC) application. Pursuant to this requirement, on May 1, 2023 San Gabriel filed Application (A.) 23-05-001 requesting an increase in revenues for the period from January 1, 2024 through December 31, 2026.

This CoC application allows the CPUC to take a broad, in-depth look at a utility’s proposed financing capital structure and authorize a reasonable Rate of Return (ROR) to enable the utility to attract investors for infrastructure improvements. The ROR consist of the weighted average cost of debt and equity a utility has issued to finance its capital investments.

What Is San Gabriel's Proposed Capital Structure?

San Gabriel Capital Structure	Current Adopted – D.18-12-002			Proposed – A.23-05-001		
	Capital Ratio	Cost	Weighted Cost	Capital Ratio	Cost	Weighted Cost
Debt	35.54%	6.17%	2.19%	35.05%	4.99%	1.75%
Equity	64.46%	9.20%	5.93%	64.95%	10.65%	6.92%
Rate of Return	8.12%			8.67%		

How Much Will San Gabriel's Revenue Increase?

The total increases in San Gabriel’s request are \$2,290,000 or 2.5% for the Los Angeles County Division and \$2,200,000 or 2.4% for the Fontana Division beginning January 1, 2024.



How Much Will The Water Bills Increase For Customers?

Residential Rate Impacts from CoC Request

(Not including CPUC fee, surcharges, refunds, or taxes)

Los Angeles County Division

Service Charge (Meter Size)	Current	Proposed
5/8"	\$27.14	\$27.87
3/4"	\$40.71	\$41.80
1-inch	\$67.86	\$69.68
Usage Charge (per CCF)	Current	Proposed
Tier 1 (0-11 CCF)	\$4.1423	\$4.2531
Tier 2 (Over 11 CCF)	\$4.6700	\$4.7949

Fontana Division

Service Charge (Meter Size)	Current	Proposed
5/8"	\$20.61	\$21.09
3/4"	\$30.89	\$31.61
1-inch	\$51.49	\$52.68
Usage Charge (per CCF)	Current	Proposed
Tier 1 (0-14 CCF)	\$4.2300	\$4.3279
Tier 2 (Over 14 CCF)	\$4.7731	\$4.8836

Under San Gabriel’s request, an average residential customer in the LA County Division with a 5/8-inch meter using 12 CCF (1 CCF = 748 gallons) would see a bill increase from \$77.38 currently to \$79.45 per month. That is an increase of \$2.07 or 2.7%. An average residential customer in the Fontana Division with a 5/8-inch meter using 15 CCF (1 CCF = 748 gallons) would see a bill increase from \$84.60 currently to \$86.56 per month. That is an increase of \$1.96 or 2.3%.



What Other Rate Requests Are Pending?

San Gabriel has a pending application regarding their General Rate Case (A.22-01-003) where they are seeking a rate increase of \$10,791,000 or 13.1% for the LA County Division and \$9,202,000 or 11.3% for the Fontana Division beginning July 2023.

How Can I Have My Voice Heard And Find Out More?

The CPUC will hold 2 Public Participation Hearings for 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 also 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 at <https://apps.cpuc.ca.gov/c/A2305001>.

To view all formal filings in this proceeding, go to <https://apps.cpuc.ca.gov/p/A2305001>.

The Public Advocates Office is an independent consumer advocate within the CPUC who will review, audit, and submit formal testimony to this proceeding. Its website is: <https://www.publicadvocates.cpuc.ca.gov>.

The CPUC’s Public Advisor can be contacted by email at public.advisor@cpuc.ca.gov or by phone at 866-849-8390.

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/>.