

ATTACHMENT B

APPENDIX A

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**San Gabriel Valley Water Company
Fontana Water Company Division
Summary of Earnings
(Dollars in Thousands)**

	<u>TY 2009-2010</u>	
	<u>Present Rates</u>	<u>Adopted Rates</u>
Operating Revenue	\$48,506.9	\$55,500.8
Operating Expenses		
Purchased Water & Assessments	\$8,980.2	\$8,980.2
Purchased Power	\$5,070.2	\$5,070.2
Chemicals	\$895.1	\$895.1
Payroll	\$4,648.6	\$4,648.6
Materials & Supplies	\$1,105.1	\$1,105.1
Transportation	\$779.9	\$779.9
Pensions & Benefits	\$1,947.9	\$1,947.9
Uncollectibles	\$128.5	\$147.0
Franchise Fees	\$371.3	\$424.8
Outside Services	\$498.3	\$498.3
Insurance	\$434.7	\$434.7
Other O&M Expense	\$377.2	\$377.2
Other A&G Expense	\$14.9	\$14.9
Bank Charges	\$60.2	\$60.2
Subtotal	\$25,312.0	\$25,384.1
Allocated Common Expenses	\$3,076.1	\$3,076.1
Total Operating Expenses	\$28,388.2	\$28,460.2
Depreciation	\$4,872.6	\$4,872.6
Ad Valorem Taxes	\$2,045.1	\$2,045.1
Payroll Taxes	\$421.8	\$421.8
Total Expense before Income Tax	\$35,727.8	\$35,799.8
Net Revenue before Income Tax	\$12,779.1	\$19,700.9
State Income Tax	\$587.8	\$1,199.7
Federal Income Tax	\$2,847.6	\$5,270.2
Total Expenses	\$39,163.2	\$42,269.8
Net Operating Revenues	\$9,343.7	\$13,231.0
Rate Base	\$142,037.9	\$142,037.9
Rate of Return	6.58%	9.32%

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**San Gabriel Valley Water Company
Fontana Water Company Division**

**Utility Plant, Depreciation Reserve, and Rate Base
(Dollars in Thousands)**

	<u>TY 2009-2010</u>	<u>TY 2010-2011</u>
Utility Plant		
Plant BOY	\$246,638.4	\$267,374.3
CWIP BOY	\$14,177.8	\$5,877.8
Utility Additions	\$10,297.1	\$5,685.0
Advances	\$150.0	\$150.0
Contributions	\$2,452.3	\$2,448.1
Total Additions	<u>\$12,899.4</u>	<u>\$8,283.1</u>
Retirements	(\$473.3)	(\$473.3)
Transfers & Adjustments	\$9.8	\$9.8
Plant EOY	<u>\$259,074.3</u>	<u>\$275,193.9</u>
CWIP EOY	\$5,877.8	\$5,877.8
Weighted Average Plant Additions	\$6,217.9	\$3,909.8
Wtd. Average Plant	<u>\$267,034.2</u>	<u>\$277,161.9</u>
Depreciation Reserve		
Reserve BOY	\$55,263.7	\$60,861.2
Contributions	\$635.8	\$686.3
Depreciation Expense	\$5,397.9	\$5,620.9
Clearing Account	\$279.0	\$290.6
Total Accrual	<u>\$6,312.8</u>	<u>\$6,597.8</u>
Retirements	(\$715.4)	(\$367.6)
Reserve EOY	<u>\$60,861.2</u>	<u>\$67,091.4</u>
Weighted Average Accrued Additions	\$58,062.4	\$63,976.3
RATE BASE		
Utility Plant	\$267,034.2	\$277,161.9
Materials and Supplies	\$1,105.7	\$1,164.8
Operational Cash Requirement	\$18.0	\$18.0
Working Cash-Lead Lag	\$1,000.0	\$1,000.0
Depreciation Reserve	(\$58,062.4)	(\$63,976.3)
Advances for Construction	(\$37,006.7)	(\$36,211.5)
Contributions	(\$25,042.1)	(\$27,243.9)
Accumulated Deferred Income Taxes	(\$17,283.1)	(\$17,824.4)
Deferred Investment Tax Credit	\$326.5	\$307.3
Tax on Advances and Contributions	\$2,134.3	\$2,085.5
Investment - Fontana Union Water	\$2,575.6	\$2,575.6
D.04-07-034 Adjustment	(\$1,945.8)	(\$1,878.5)
District Rate Base	<u>\$134,854.1</u>	<u>\$137,178.5</u>
Net Common Plant Allocation	\$7,183.8	\$7,608.7
Average Rate Base	<u>\$142,037.9</u>	<u>\$144,787.3</u>

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**San Gabriel Valley Water Company
Fontana Water Company Division**

**Income Tax Calculation
(Dollars in Thousands)**

TY 2009-2010

Operating Revenue	\$55,500.8
Purchased Water & Assessments	\$8,980.2
Purchased Power	\$5,070.2
Chemicals	\$895.1
Payroll	\$4,648.6
Materials & Supplies	\$1,105.1
Transportation	\$779.9
Pensions & Benefits	\$1,947.9
Uncollectibles	\$147.0
Franchise Fees	\$424.8
Outside Services	\$498.3
Insurance	\$434.7
Other O&M Expense	\$377.2
Other A&G Expense	\$14.9
Bank Charges	\$60.2
Allocated Common Expenses	\$3,076.1
Ad Valorem Taxes	\$2,045.1
Payroll Taxes	\$421.8
Subtotal	<u>\$30,927.2</u>
Interest	<u>\$3,699.1</u>
Total Deductions	<u>\$34,626.3</u>
Taxable Income	\$20,874.5
State Tax Depreciation	<u>\$7,325.6</u>
Net Taxable Income	\$13,548.9
State Corp. Franch. Tax @ 8.84%	\$1,197.7
Amortization of CIAC Tax	\$2.0
Total State Income Tax Expense	<u>\$1,199.7</u>
Federal Tax Depreciation	\$4,872.6
American Jobs Creation Act	\$191.1
State Franchise Tax - Prior Year	\$773.8
Federal Taxable Income	<u>\$15,037.0</u>
Fed. Income Tax @ 35%	\$5,262.9
Amortization of CIAC Tax	\$7.3
Total Federal Income Tax Expense	<u>\$5,270.2</u>
Total Taxes	<u>\$6,470.0</u>

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San Gabriel Valley Water Company
Fontana Water Company Division

Quantities
(Dollars in Thousands)

- 1. Net-to-Gross Multiplier: 1.799163
- 2. Federal Income Tax Rate: 35.00%
- 3. State Income Tax Rate: 8.84%
- 4. Franchise Fee Rate: 0.7655%
- 5. Uncollectibles Rate: 0.2648%

6. Number of Services & Supply:

Class	No. of Services			Ccf/ Customer	Usage -Ccf		
	'09-'10	'10-'11	'11-'12		'09-'10	'10-'11	'11-'12
Residential	42,090	42,090	42,090	324.29	13,649,366	13,649,366	13,649,366
Commercial	357	357	357	6,485	2,315,145	2,315,145	2,315,145
Industrial, Small	64	64	64	1,239	79,296	79,296	79,296
Industrial, Large	56	56	56	11,223	628,488	628,488	628,488
California Steel Industries	1	1	1	71,700	71,700	71,700	71,700
Cemex USA - contract	1	1	1	116,600	116,600	116,600	116,600
Cemex USA - tariff	N/A	N/A	N/A	12,000	12,000	12,000	12,000
Public Authority, Small	264	264	264	1,838	485,232	485,232	485,232
Public Authority, Large	220	220	220	6,856	1,508,320	1,508,320	1,508,320
Construction	109	109	109	2,062	224,758	224,758	224,758
Private Fire Service	43,162	43,162	43,162		19,090,905	19,090,905	19,090,905
	908	952	996				
Water Loss @ 7.0%	44,070	44,114	44,158		1,446,565	1,446,565	1,446,565
Total Water Supply, Ccf					20,537,470	20,537,470	20,537,470
Total Water Supply, AF					47,147.5	47,147.5	47,147.5

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San Gabriel Valley Water Company
Fontana Water Company DivisionQuantities
Test Year 2009-2010

7. Water Supply Quantities & Cost:

<u>Item</u>	<u>Unit Cost</u> (\$/AF)	<u>Quantity Basis</u> (AF)	<u>Total Cost or Assessment</u> (\$000)
<u>Chino Basin Wells</u>			
Replenishment Assessment	\$294.00	12,197.5	\$3,586.1
Administrative Assessment	\$4.50	13,097.5	\$58.9
OBMP Assessment	\$31.80	13,097.5	\$416.5
Appropriative Pool & 85/15 Assessment	\$9.11	13,097.5	\$119.3
Land Use Conversion Assessment	\$29.76	750.0	\$22.3
Appropriative Rights	\$0.00	1.0	\$0.0
Leases	\$184.03	150.0	\$27.6
Total - Chino Basin Wells		13,097.5	\$4,230.8
<u>Non-Chino Basin Wells</u>			
FWC Share	\$0.00	13,825.0	\$0.0
CCWD Share Purchased	\$370.00	5,925.0	\$2,192.3
Total - Non-Chino Basin Wells		19,750.0	\$2,192.3
<u>Lytle Creek Surface Water</u>			
FWC Share	\$0.00	5,915.0	\$0.0
CCWD Share Purchased	\$370.00	2,535.0	\$938.0
Total - Lytle Creek Surface Water		8,450.0	\$938.0
<u>Other</u>			
SWP Purchases - MWD	\$528.00	750.0	\$396.0
Monthly Capacity Charge	\$5.66		\$67.9
SWP Purchases - SBVMWD	\$125.80	5,000.0	\$629.0
CCWD Emergency Purchases	\$515.00	100.0	\$51.5
IEUA Assessment (active meters)	\$7.14	43,162.0	\$308.2
Water Stock Assessments (shares)	\$28.00	5,951.5	\$166.6
Total - Purchased Water		5,850.0	\$1,619.2
Total Water Supply		47,147.5	\$8,980.2
Composite		\$190.47	per AF

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**San Gabriel Valley Water Company
Fontana Water Company Division**

**Quantities
(Dollars in Thousands)**

Test Year 2009-2010

8. Purchased Power Costs

Schedule PA-1	\$0.163021	1,026,125 \$167.3
Schedule PA-2	\$0.095025	7,623,857 \$724.5
Schedule GS-1	\$0.155731	103,239 \$16.1
Schedule GS-2	\$1.168929	38,879 \$45.4
Schedule TOU-8	\$0.145880	17,559,599 \$2,561.6
Schedule TOU-PA-B	\$0.109244	12,610,930 \$1,377.7
Schedule TOU-PA-5	\$0.158714	1,119,279 \$177.6
Total \$		\$5,070.2
Total kWh		40,081,907
\$/kWh		\$0.126495

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San Gabriel Valley Water Company
Fontana Water Company DivisionQuantities
(Dollars in Thousands)

9. Number of Services by Meter Size

	<u>TY</u> <u>2009-2010</u>	<u>EY</u> <u>2010-2011</u>	<u>EY</u> <u>2011-2012</u>
<u>Residential</u>			
5/8 x 3/4-in.	24,080	24,080	24,080
3/4-in.	18	18	18
1-in.	16,856	16,856	16,856
1.5-in.	573	573	573
2-in.	561	561	561
3-in.	2	2	2
Subtotal:	<u>42,090</u>	<u>42,090</u>	<u>42,090</u>
<u>Commercial</u>			
5/8 x 3/4-in.	2	2	2
1-in.	8	8	8
1.5-in.	45	45	45
2-in.	190	190	190
3-in.	5	5	5
4-in.	1	1	1
6-in.	14	14	14
8-in.	18	18	18
10-in.	7	7	7
2-2-in.	45	45	45
3-2-in.	18	18	18
4-2-in.	3	3	3
2-4-in.	1	1	1
Subtotal:	<u>357</u>	<u>357</u>	<u>357</u>
<u>Industrial, Small</u>			
5/8 x 3/4-in.	15	15	15
1-in.	11	11	11
1.5-in.	16	16	16
2-in.	22	22	22
Subtotal:	<u>64</u>	<u>64</u>	<u>64</u>
<u>Cemex USA</u>			
10-in.	1	1	1
<u>California Steel Industries</u>			
2-in.	2	2	2
10-in.	3	3	3

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San Gabriel Valley Water Company
Fontana Water Company Division

Adopted Quantities
(Dollars in Thousands)

9. Number of Services by meter size (continued)

	<u>TY</u> <u>2009-2010</u>	<u>EY</u> <u>2010-2011</u>	<u>EY</u> <u>2011-2012</u>
<u>Industrial, Large</u>			
1.5-in.	4	4	4
2-in.	32	32	32
3-in.	1	1	1
6-in.	1	1	1
10-in.	4	4	4
2-2-in.	9	9	9
3-2-in.	4	4	4
2-3-in.	1	1	1
Subtotal:	<u>56</u>	<u>56</u>	<u>56</u>
<u>Public Authority, Small</u>			
5/8 x 3/4-in.	16	16	16
3/4-in.	1	1	1
1-in.	67	67	67
1.5-in.	64	64	64
2-in.	116	116	116
Subtotal:	<u>264</u>	<u>264</u>	<u>264</u>
<u>Public Authority, Large</u>			
1-in.	4	4	4
1.5-in.	9	9	9
2-in.	134	134	134
3-in.	3	3	3
4-in.	1	1	1
6-in.	1	1	1
2-2-in.	47	47	47
3-2-in.	14	14	14
4-2-in.	7	7	7
Subtotal:	<u>220</u>	<u>220</u>	<u>220</u>
<u>Construction</u>			
	<u>109</u>	<u>109</u>	<u>109</u>
Total Metered:	43,162	43,162	43,162
<u>Private Fire Service</u>			
8.59" diameter (avg.)	<u>908</u>	<u>952</u>	<u>996</u>
Total Services	44,070	44,114	44,158

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APPENDIX C

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**San Gabriel Valley Water Company
Fontana Water Company Division**

Comparison of Bills

Comparison of typical bills for residential metered customers of various
usage levels and average level at present and authorized rates

**General Metered Service
(3/4 x 5/8-inch meter)**

<u>Monthly Usage (Ccf)</u>	<u>Present Rates</u>	<u>Test Year 2009-2010</u>		<u>Test Year 2010-2011</u>	
		<u>Authorized Rates</u>	<u>Percent Increase</u>	<u>Forecasted Rates</u>	<u>Percent Increase</u>
5	\$24.71	\$26.74	8.2%	\$27.81	4.0%
10	\$32.85	\$36.63	11.5%	\$37.76	3.1%
20	\$49.13	\$56.41	14.8%	\$57.67	2.2%
23 (avg.)	\$54.01	\$62.34	15.4%	\$63.64	2.1%
30	\$65.41	\$76.19	16.5%	\$77.58	1.8%
50	\$97.97	\$115.75	18.2%	\$117.40	1.4%
100	\$179.36	\$214.65	19.7%	\$216.95	1.1%

(end of Appendix C)

APPENDIX D

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**San Gabriel Valley Water Company
Fontana Water Company Division**

Adopted Rates

	Test Year <u>2009-2010</u>	Estimated Increases	
		<u>Escalation Year 2010-2011</u>	<u>Escalation Year 2011-2012</u>
<u>Schedule FO-1</u>			
<u>Quantity Rate</u>			
Per 100 cu. Ft. (Ccf)	\$1.9780	\$0.0130	\$0.0363
<u>Service Charges</u>			
Per service per month			
For 5/8 x 3/4-in.	\$16.85	\$1.00	\$1.00
For 3/4-in.	\$25.28	\$1.50	\$1.50
For 1-in.	\$42.13	\$2.50	\$2.50
For 1-1/2-in.	\$84.25	\$5.00	\$5.00
For 2-in.	\$134.80	\$8.00	\$8.00
For 3-in.	\$252.80	\$15.00	\$15.00
For 4-in.	\$421.30	\$25.00	\$25.00
For 6-in.	\$840.00	\$50.00	\$50.00
For 8-in.	\$1,350.00	\$80.00	\$80.00
For 10-in.	\$1,940.00	\$110.00	\$120.00
For 12-in.	\$2,780.00	\$170.00	\$160.00
For 2-2-in.	\$270.00	\$16.00	\$16.00
For 3-2-in.	\$404.00	\$24.00	\$24.00
For 4-2-in.	\$539.00	\$32.00	\$32.00
For 2-3-in.	\$506.00	\$30.00	\$30.00
For 2-4-in.	\$843.00	\$50.00	\$50.00
For 1-8-in., 2-2-in.	\$1,620.00	\$100.00	\$90.00
For 2-8-in.	\$2,700.00	\$160.00	\$160.00
<u>Schedule FO-4</u>			
Per service per month for each inch of diameter of service connection	\$11.67	\$0.06	\$0.05
<u>Schedule FO-9C</u>			
sidewalk (per 100 sq. ft.)	\$0.862	\$0.051	\$0.051
street curb (per 100 lineal ft.)	\$1.719	\$0.102	\$0.102
trench settling (per lineal foot)	\$0.073	\$0.004	\$0.004
road construction (per 3000 sq. ft.)	\$12.10	\$0.72	\$0.72
fill compaction (per cubic yard)	\$0.109	\$0.006	\$0.006
tank truck (per 100 gallons)	\$0.285	\$0.017	\$0.017
Minimum charge	\$43.36	\$2.57	\$2.57
<u>Schedule FO-9CL</u>			
For each lot during construction	\$14.91	\$0.88	\$0.88

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