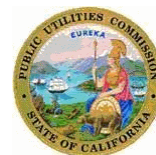


BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

2-08-16  
04:59 PM

In the Matter of the Application of San Gabriel Valley Water Company (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$14,476,800 or 24.8% in July 2017, \$3,599,800 or 5.0% in July 2018, and \$4,778,200 or 6.4% in July 2019 and in its Fontana Water Company Division by \$20,607,600 or 38.6% in July 2017, \$1,760,400 or 2.3% in July 2018, and \$2,664,800 or 3.4% in July 2019.

Application 16-01-002  
(Filed January 4, 2016)

**PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES**

**SELINA SHEK**  
**HIEN VO WINTER**  
Attorneys for the  
Office of Ratepayer Advocates

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Telephone: (415) 703-2423 (Shek)  
Telephone: (415) 703-3651 (Winter)  
Fax: (415) 703-4592  
Email: [selina.shek@cpuc.ca.gov](mailto:selina.shek@cpuc.ca.gov)  
[hien.vo@cpuc.ca.gov](mailto:hien.vo@cpuc.ca.gov)

**MEHBOOB ASLAM**  
Public Utilities Regulatory Analyst-V  
Office of Ratepayer Advocates

California Public Utilities Commission  
320 West Fourth Street, Suite 500  
Los Angeles, CA 90013  
Telephone: (213) 576-7781  
Fax: (213) 576-7072  
Email: [mehboob.aslam@cpuc.ca.gov](mailto:mehboob.aslam@cpuc.ca.gov)

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Gabriel Valley Water Company (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$14,476,800 or 24.8% in July 2017, \$3,599,800 or 5.0% in July 2018, and \$4,778,200 or 6.4% in July 2019 and in its Fontana Water Company Division by \$20,607,600 or 38.6% in July 2017, \$1,760,400 or 2.3% in July 2018, and \$2,664,800 or 3.4% in July 2019.

Application 16-01-002  
(Filed January 4, 2016)

**PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES**

**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission’s Rules of Practice and Procedure, the Office of Ratepayer Advocates (“ORA”) hereby protests San Gabriel Valley Water Company’s (“SGVWC”) Application for authority to increase rates for water service in 2017, 2018, and 2019 (“Application”).

SGVWC filed its Application on January 4, 2016 and it appeared on the Commission’s Daily Calendar on January 7, 2016.

**II. ISSUES TO BE ADDRESSED**

ORA is conducting the necessary discovery, investigation, and review to address issues the Application raises, including whether SGVWC’s estimated levels of revenues, expenses, and rate base are just and reasonable. ORA is also reviewing whether SGVWC’s Special Requests are appropriate and in the public interest.

This Protest provides a non-exhaustive identification of issues ORA will examine. As discovery proceeds, other issues may arise.

**A. General Issues**

1. Whether SGVWC's proposed revenue rate increases for Test and Escalation Years are reasonable and justified, including sales, revenue, consumption, and number of customers;
2. Whether SGVWC's estimate in its operation & maintenance ("O & M"), and administrative & general ("A & M") expenses are reasonable, including payroll, conservation; and
3. Whether SGVWC's proposed additions to plant are accurate, reasonable, and justified, including its office remodeling project, unauthorized plant, purchase of water rights, construction work in progress, and projects relating to water quality.

**B. Specific Issues**

1. Whether SGVWC's departure from the New Committee Method in some instances, and its estimated reduction in sales, is reasonable;
2. Whether SGVWC's estimates regarding purchased water and ground water production are accurate;
3. Whether SGVWC's payroll estimate and its request for new positions are reasonable;
4. Whether SGVWC's conservation budget is reasonable;
5. Whether SGVWC's methodology and estimate for its regulatory expenses are reasonable;
6. Whether SGVWC's request to modify its Purchase Water and Pump Water Cost Balancing Account into a single Water Production Incremental Cost Balancing Account is appropriate; and
7. Whether SGVWC's updates to its revenue requirement from its Proposed Application to that of its Final Application, A.16-01-002 are appropriate. For example, in its Los Angeles County Division the rate increase for the Test Year 2017 went from 24.2% to 24.8%---an increase of \$386,400. Similarly, in its Fontana Water Company Division, the rate increase for the Test Year 2017 went from 35.0% to 38.6%---an increase of \$1,347,800.

**C. Special Requests**

1. Whether the Commission should approve SGVWC's request for amortization of the Income Tax Repair Regulation Implementation Memorandum Account and the Cost of Capital Litigation Memorandum Account;
2. Whether the Commission should approve SGVWC's request to close Schedule No. FO-9CL (Service to Tract House During Construction) and to replace the fixed charges in Schedule No. FO-(c (Construction and Tank Truck Service) with a Quantity Rate;
3. Whether the Commission should approve SGVWC's request to close Schedule No. LA-9CL (Service to Tract Houses During Construction) and to replace the fixed charges in Schedule No. LA-9C (Construction and Tank Truck Service) with a Quantity Rates;
4. Whether the Commission should approve SGVWC's request to increase its Facilities Fees, set forth in Schedule No. FO-FF, and applicable to its Fontana Water Company Division; and
5. Whether the Commission should approve SGVWC's request to update its service area maps.

**III. NEED FOR HEARINGS**

ORA agrees with SGVWC that evidentiary hearings will be necessary because SGVWC's showing and ORA's analyses are necessarily fact intensive and thus will likely result in a number of factual disputes. ORA recommends holding the evidentiary hearings in the Commission's Los Angeles office because the service territories are located in Southern California and most of ORA's and SGVWC's staff working on this Application are also located there. This venue will be the most convenient and cost effective for the parties, as well as affected customers who may wish to attend the hearings.

#### **IV. SCHEDULE**

ORA proposes the following schedule:

- **July 25, 2016:** ORA Direct Testimony
- **August 08, 2016:** Other Parties' Testimony
- **September 21, 2016:** SGVWC Rebuttal Testimony
- **October 3-October 13, 2016:** ADR and Settlement talks
- **October 31-November 08, 2016:** Evidentiary Hearings (if necessary)
- **December 06, 2016:** Opening Briefs
- **December 20, 2016:** Reply Briefs
- **April 24, 2017:** ALJ's Proposed Decision
- **May 14, 2017:** Comments on Proposed Decision
- **May 29, 2017:** Reply Comments on Proposed Decision
- **June 06, 2107:** Commission Meeting/Decision

Based on past experience, ORA requests an additional two weeks for the preparation of evidentiary hearings as ADR and settlement efforts require ORA to dedicate its resources to the process uninterrupted to ensure meaningful settlement.

#### **V. CATEGORIZATION**

ORA agrees with SGVWC that this proceeding should be categorized as "Ratesetting."

#### **VI. CONCLUSION**

The Commission should issue a scoping memo that adopts the issues identified in this Protest, as well as ORA's proposed schedule.

//

//

//

Respectfully submitted,

/s/ SELINA SHEK

---

SELINA SHEK  
HIEN VO WINTER

Attorneys for the Office of Ratepayer  
Advocates

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-2423 (Shek)  
Phone: (415) 703-3651 (Winter)  
Fax: (415) 703-4592  
Email: [selina.shek@cpuc.ca.gov](mailto:selina.shek@cpuc.ca.gov)  
[hien.vo@cpuc.ca.gov](mailto:hien.vo@cpuc.ca.gov)

February 8, 2016