



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service by \$19,234,576 or 35.85% in 2012, by \$3,032,827 or 4.18% in 2013, and by \$1,973,200 or 2.61% in 2014.

A1102002

SUBURBAN WATER SYSTEMS

EXHIBITS A - F

FINAL APPLICATION

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Before the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EXHIBIT A

SUBURBAN WATER SYSTEMS (U 339-W)

RESULTS OF OPERATIONS
TEST YEARS ENDING DECEMBER 31,
2012 AND 2013

Covina, California

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1 Chapter Introduction

1.1 Purpose of Exhibit

This exhibit has been prepared to provide information required for the filing of an application before the Public Utilities Commission of the State of California by Suburban Water Systems ("Company" or "Suburban") for rate modifications and for a general increase in rates for water service. Results of operations under present and proposed rates as presented in this exhibit are intended to provide the complete showing of the Company in support of its rate application.

1.2 Scope of Exhibit

This exhibit contains historical and descriptive data about the Company, and financial results of operations for 2005 through 2009 on a recorded basis, for an estimated years 2010 and 2011, and for test years 2012 and 2013 on an estimated basis. The adjusted year 2011 data is intended to represent results of operations for a normal year with normalized consumption and expenses to provide a base for the evaluation of estimated expenses for future years. The form of presentation is designed to lend itself to ready analysis for ratemaking purposes. Years ending December 31, 2012 and December 31, 2013 are the required test years pursuant to the Commission's Interim Order Adopting Rate Case Plan, D.07-05-062 ("Order Instituting Rulemaking to Consider Revisions to the General Rate Case Plan For Class A Water Companies").

1.3 Overview of Exhibit

By this application, Suburban Water Systems requests authorization to increase the level of rates for water service for test years 2012 and 2013. The requested increase in the level of rates is designed to produce an increase in annual revenues of approximately \$19,234,576 for 2012, \$3,032,827 for 2013, and an additional increase of \$1,973,200 in 2014 pursuant to the Order Instituting Rulemaking. These amounts represent rate increases of 35.85 percent, 4.18 percent, and 2.61 percent for test years 2012 and 2013 and attrition year 2014, respectively.

The increase requested in this application is intended to fully recover operating expenses as well as to provide for a fair return on rate base for the Company.

Company water system facilities are presently considered to be in good condition. Capital expenditures planned through 2013 consist largely of replacements in kind to maintain the condition of the water system.

Projected capital additions and retirements are shown in Chapter 6 of this Exhibit.

In summary, Suburban believes that the increase requested in this application is necessary and justified. The Company has provided reliable water service with adequate resources through prudent investment and responsible operation and maintenance, and will be able to continue to do so with the rate levels proposed in this application.

1.4 Water Management Plan

In accordance with the California Water Code, Division 6, the Company was required to file an Urban Water Management Plan with the California Department of Water Resources by December 31, 2005. Additionally, in accordance with Commission Decision 94-02-043, dated February 16, 2001, it was ordered that:

"Water management programs established by utilities pursuant to D. 90-08-55 shall be updated and evaluated as ordered in D. 92-09-084, as follows:

Effective January 1, 2001, each Class A water company shall as part of its next general rate case (i) file an updated water management program, and (ii) evaluate the performance of its water management program."

It is the Company's intent that its 2005 Urban Water Management Plan, which is submitted as part of this filing, will meet both requirements.

2 Chapter - Company History

2.1 Historical Background

Suburban, a California corporation, was originally formed on April 15, 1907 as the San Jose Hills Water Company and intended to function as a mutual water company providing water service for agricultural use. San Jose Hills Water Company was incorporated under the laws of the State of California on June 27, 1944 as a public utility. In 1953, San Jose Hills Water Company purchased Whittier Water Company. The name was officially changed to Suburban Water Systems on October 23, 1953. On May 28, 1975, the Commission authorized SouthWest to acquire the issued and outstanding capital stock and resultant control of Suburban Water Systems. Suburban Water Systems continued to operate under the name Suburban Water Systems. On July 7, 1976, the Commission authorized SouthWest to transfer plant in service serving customers in Los Angeles, Orange and San Bernardino Counties to Suburban Water Systems, thus consolidating all California utility operations into one company. On September 23, 1976, the Board of Directors for Suburban Water Systems voted to change the name of the company to Southwest Suburban Water. On July 22, 1982, Southwest Suburban Water's Board of Directors voted to change its name back to Suburban Water Systems (Suburban informed the Commission of these name changes via Advice Letters 111 and 156, respectively). Today, Suburban serves approximately 75,000 customers in its San Jose Hills and Whittier/La Mirada Service Areas.

In 1998, Suburban Water Systems purchased the assets of Maple Water Company, a small mutual water company located in Valinda. In 2000, Suburban Water Systems purchased the assets of the 7,000 customer municipal water system owned by the City of West Covina.

In its history, Suburban Water Systems under this name and others has served many cities in the Southern California area. Today, it serves approximately 75,000 customers in its San Jose Hills and Whittier/La Mirada Service Areas. Communities served are Glendora, Covina, West Covina, La Puente, Hacienda Heights, Walnut, Whittier, La Mirada, La Habra, and Buena Park as well as unincorporated Los Angeles and Orange County areas. With the exception of the acquisitions of the small Maple Water Company in 1998 and the West Covina water system in 2000, since the late 1960's Suburban Water Systems has grown little beyond its saturated areas of certification. Additional growth has come through extensions into new subdivisions along the periphery of the Company's widespread service area, or through redevelopment in existing service areas from single to multi-user services. Future expansion of the service areas on a large scale is improbable.

In D.10-09-012, the CPUC approved the transfer of indirect control of Suburban to SW Merger Acquisition Corp., IIF Subway Investment LP, and USA Water Services, LLC. The CPUC determined that the transaction

would not adversely affect the public interest as a matter of law, and therefore should be approved. The CPUC also determined that the Settlement that had been reached with DRA was reasonable in light of the whole record, consistent with law, and in the public interest as a matter of law, and therefore should be adopted.

2.2 Proceedings Before the Commission

Set forth below are the formal proceedings of Suburban Water Systems decided by the Commission since 2008. Proceedings prior to that time were listed in Application No. 08-01-004 filed January 2, 2008. This was the last general rate increase application for Suburban Water Systems.

<u>App. Or Case No.</u>	<u>Decision No.</u>	<u>Date of Decision</u>	<u>Nature of Proceedings and Commission Action</u>
A08-01-004	09-03-007	03/12/09	General Rate Case
A09-07-015	n/a	n/a	To Establish a Holding Company, Application was Dismissed on 3/25/10.
A09-05-005	10-10-035	10/28/10	Cost of Capital Proceeding.
A10-04-099	10-09-012	09/02/10	Transfer of Indirect Control of Suburban Water Systems.
R09-04-012	10-10-019	10/14/10	Affiliate Transactions Rulemaking
R09-03-014	10-10-018	10/14/10	Contamination Proceeds Rulemaking

<u>Advice Letter No.</u>	<u>Effective Date</u>	<u>Nature of Proceedings and Commission Action</u>
253-W	07/01/08	Step Rate Increase per D.06-08-017
254-W	09/01/08	Authorization to Implement a Low Income Rate Assistance (LIRA) Program
255-W	10/01/08	Tiered rates for Residential & WRAM Memorandum Account
256-W	10/01/08	Rule No. 14.1 - Water Conservation, and Rationing Plan
257-W	12/12/08	Balancing Account Recovery
258-W	01/01/09	Interim Rate Increase
259-W	04/01/09	General Rate Case
260-W	05/01/09	True-up Interim Rates Via Surcharge
261-W	Rejected	Memorandum Account for Cost of Capital Proceeding
262-W	Suspended	Memorandum Account for Holding Company Proceeding
263-W	Suspended	Memorandum Account for Affiliate Transaction Rules Proceeding
264-W	06/01/09	Update the Income Qualification Guidelines' for Low Income Program
265-W	06/08/09	Clarify Preliminary Statement section F (WRAM)
266-W	08/01/09	Intervenor Compensations' Recovery
267-W	Rejected	Conservation OII Surcharge to Recover Legal and Related Costs
268-W	07/30/09	Memorandum Account for Cost of Capital (Preliminary Statement)

269-W	01/01/10	Step Rate Increase
270-W	01/01/10	Memorandum Account for Cost of Capital Rate Increase
271-W	Pending	Conservation OII Surcharge to Recover Legal and Related Costs
272-W	05/01/10	Balancing Account Recovery
273-W	04/28/10	Update form no. 3 - Bill For Service
274-W	06/01/10	Update the Income Qualification Guidelines' for Low Income Program
275-W	08/01/10	Form No. 19 - 15 Day Notification
276-W	10/08/10	Balancing Account Recovery
277-W	11/11/10	Whittier's Franchise Fee
278-W	12/05/10	Recycled Water (SJ-3)
279-W	01/01/11	Step and Cost of Capital Rate Increases

3 Chapter - Company Operations

3.1 Main and Service Area Offices

The company has two service areas. There is the Whittier/La Mirada Service Area, with offices at 15088 Rosecrans Avenue, La Mirada. The San Jose Hills Service Area, with office at 2235 E. Garvey Avenue North, Suite A, West Covina. For ratemaking purposes both service areas combined are recognized as one district.

The Whittier/La Mirada Service Area and San Jose Hills Service Area have the same service charge but differing quantity charges based on their unique sources and costs of water supply.

The company has a main office located in leased facilities at 1211 East Center Court Drive, Covina.

With currently planned personnel additions, the Company now requires approximately 132 employees to effectively manage and operate the system. The following table shows current staffing needs in the San Jose Hills and Whittier/La Mirada Service Areas and at the Main Office:

Analysis of Staffing Position Changes

Since The Company's Last GRC

	SJH	WLM	Main Office	Total
2008 GRC Total Positions Approved	38	37	43	118
Reclassifications And Eliminated Positions				
Superintendent Misclassified in Prior GRC	1		(1)	0
Operation Data Analyst Transferred From Main Office to SJH	1		(1)	0
Positions Eliminated:				
VP and Chief Administrative Officer			(1)	(1)
Database Administrator			(1)	(1)
Service Area Manager of San Jose Hills	(1)			(1)
New Positions Requested And Already Filled				
<u>Transfers from Utility Group to Suburban</u>				
President			1	1
Communication Manager			1	1
Communication Assistant			1	1
Admin. Executive Assistant			1	1
<u>Transfer from SouthWest to Suburban</u>				
Senior Accountant			1	1
<u>External Hires</u>				
Water Production Manager			1	1
Eng. Tech. Inspection I			1	1
Eng. Tech. Inspection I			1	1
Mechanical Maintenance Manager			1	1
Director of Risk Management and Audit			1	1
Total Current Positions 1/1/2011	39	37	49	125
New Positions Requested, Not Yet Filled:				
Senior Account Clerk	1	1		2
Leak Crew (3) - SJH	3			3
GIS Development Coordinator			1	1
Asset Management Engineer			1	1
Total Positions Including Requested Positions	43	38	51	132
Net Additional Positions Requested = 14				

3.2 Main Office Functions

New Positions Created And Filled Since Last Rate Case.

A Water Production Manager position has been added to support the complex operation of water supply production and distribution. This position ensures the most efficient use of energy and water sources in order to efficiently run the system. This individual is responsible for identifying and prioritizing the most efficient mix of water sources and determines pumping schedules.

The Engineering Technician I and III positions have been added to support increased construction activity.

These two positions are required due to the expanse of Suburban's service area and the volume of projects scheduled each year. Following are their primary functions:

- Perform project communication and project coordination;
- Perform public works inspection;
- Ensure quality control of materials and methods;
- Maintain construction records and perform reporting;
- Manage construction contracts;
- Perform field investigation and system testing;
- Maintain a safe workplace;
- Maintain Environmental and Water Quality controls.

A Senior Accountant has been added to the accounting department to support cost accounting. In the past, administration of capital spending, accounting for construction work in process and the closing of capital work orders were all performed by clerical employees. Increases in work volume caused a deficiency in this area. The complexity of the work in addition to the large dollar volume caused Suburban to hire a senior accountant in July of 2009.

A Mechanical Maintenance Manager position has been added to ensure the safety of personnel at water production and distribution facilities, and to coordinate preventative maintenance programs, repair of failed or damaged mechanical equipment, and maintenance and upgrade of telemetry and instrumentation equipment.

Suburban's Director of Risk Management and Audit (auditor) is critical in ensuring there are adequate processes, controls and oversight for managing the risks inherent in a control environment. The auditor will perform regular risk assessment to determine Suburban's operational and financial reporting processes and controls risk profiles and develop, implement and manage a risk mitigation program in order to reduce identified risks. The risk areas determined by management and results from the risk assessment are the key drivers for designing adequate processes and controls to mitigate high-risk processes and controls.

Positions Eliminated and Transferred Since Last Rate Case. An organizational change occurred in 2009 resulting in the elimination of Vice President Chief Administrative Officer position, the Database Administrator position and the Service Area Manager of San Jose Hills position. Beginning in 2010 four personnel from the Utility Service Group were transferred to Suburban - 1) the President, 2) the President's secretary, 3) Director of Communications

and 4) the Communications Assistant. These transfers made sense because these employees had been spending all their time on Suburban matters, and with the elimination of the VP CAO position, it became necessary for the president to spend all of his time on Suburban matters.

New Positions Not Yet Filled.

One three-person leak crew in the San Jose Hills Service Area.

The two service areas currently prioritize all leaks, placing the largest priority on leaks that threaten to damage property or public safety and smaller leaks as a lower priority. Due to a lack of manpower and the increased number of leaks, the Service Areas have had to wait several days before they can repair some of the lower priority leaks in the system. This practice is no longer tolerable and more effective handling of leaks can only be accomplished with an additional leak crew in the San Jose Hills Service Area.

This new leak crew will consist of one equipment operator, one Utility Worker II or III, and one Utility Worker I. A Senior Utility Worker assists the crew by marking and calling in spots for the area to be repaired ahead of the crew's arrival. The Senior Utility Worker then moves to the next repair scheduled for later that day in order to help ensure that little time is lost by the crew. We expect this leak crew will save \$62,373 a year as compared to the current practice of outsourcing to contractors. That savings has been reflected in this filing.

Asset Management Engineer

Suburban is an aging water system with the majority of facilities installed in the middle of the last century. Suburban has a GIS system that identifies the locations of underground pipelines, but the GIS system provides little information about the condition, life expectancy, or replacement requirements of these facilities.

There are no centralized and complete records of the components of Suburban's major plant facilities including reservoirs, pump and valve stations and wells. There are currently no coordinated planning efforts to identify and perform condition assessments of assets. The Asset Management Engineer will investigate and implement a software application to track and analyze the utility's assets.

GIS Development Coordinator

This position will provide the engineering department with a resource that is knowledgeable in developing a modern, useful and useable GIS system that will provide valuable information to users. This individual will be knowledgeable concerning hardware and network matters. They will coordinate the migration of the utility's heritage records (hard and electronic copies) to the GIS. They will be responsible for proliferating use of the system throughout the company. They will select and coordinate vendors to supply software and perform specialized services that are not available in-house. They will ensure the necessary software is upgraded on a timely basis, and they will participate in GIS industry to ensure that the utility is kept abreast of contemporary GIS developments.

Senior Account Clerk (2 Positions)

The purposes of these positions are as follows:

LIRA (Low Income Rate Payer Assistance Program)

This program continues to grow for Suburban Water Systems. As more and more residents sign up for this program, more time and communication is required to reach out to not only new applicants, but also those who will need to requalify for the program. More monthly communication is required as the utilization of this program continues to increase (i.e.; letters for reapplying and tracking all associated information).

CUSTOMER SERVICE

of The new Senior Account positions allow for current customer service representatives who currently multi-task (have customer service, procurement and LIRA duties) to focus solely on their customer service roles, thus allowing them to fully devote their time to customer service.. The Senior Accounting Clerks will have some light customer service responsibilities as they will be a back up for customer service representatives when needed for breaks, etc.

PROCUREMENT

Currently, a customer service representative handles supplier invoice accruals, the ordering of products and services. By moving these functions over to the new Senior Accounting Clerks, the customer service representative will be able to give customers their undivided attention and improved customer service.

Utility Group - Manager of Regulatory Affairs

A Manager of Regulatory Affairs position has been added and filled in the Utility Group. Rounding out a complement of three regulatory positions in Utility Group, this position was necessary because of the substantial increase in regulatory activity at the CPUC, which has placed immensely greater regulatory-related demands on Utility Group.

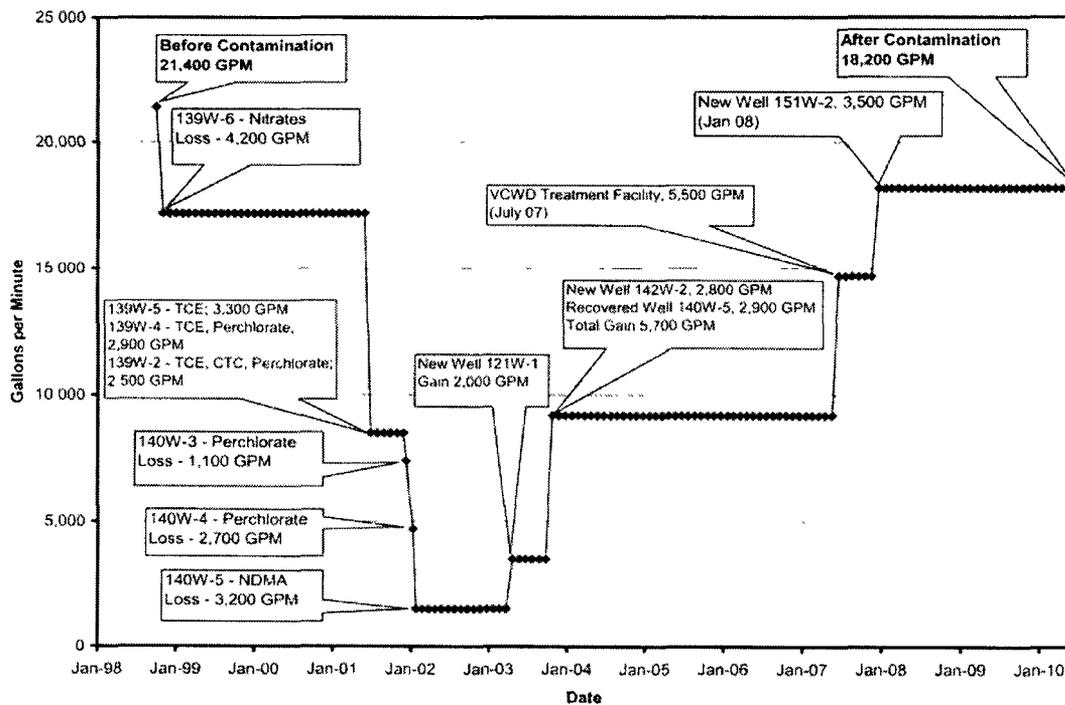
3.3 San Jose Hills Service Area Operations

The Company's San Jose Hills Service Area consists of the red area shown to the upper right on Exhibit 3-1.

Water Supply. Water delivered meets or exceeds all water quality standards set by the California Department of Public Health and other regulatory agencies. During the time since the last general rate case filing, Suburban has not been cited, fined or otherwise disciplined by the California Department of Public Health.

The following graph shows the impact of water contamination on the San Jose Hills Service Area. The graph shows that since 1998 water contamination was reduced by 57% of the available water supplies from Company wells. It shows that supplies have rebounded substantially but not completely. The entities identified as the potentially responsible parties ("Cooperating Respondents") have been making monthly payments to the Company, payments representing the amount by which purchased replacement water exceeds the company's avoided costs. In this filing we show those payments as continuing throughout the test years, but at dramatically reduced from past levels, again as the CR's have funded replacement water sources.

**SAN JOSE HILLS SERVICE AREA
PUMPING CAPACITY**



Storage. As shown in Table 3-2 the service area has 3 concrete and 16 steel reservoirs with a total capacity of 43,180,000 gallons.

Public Relations. There were two informal complaints filed with the Public Utilities Commission in 2009. There were no formal complaints filed.

3.4 Whittier/La Mirada Service Area Operations

The Company's Whittier/La Mirada Service Area consists of the blue area shown to the lower left on Exhibit 3-1.

Water Supply. Company wells and water purchased from supplemental sources combine to supply water to the customers in the Whittier/La Mirada Service Area. Water delivered meets or exceeds all water quality standards set by the California Department of Public Health and other regulatory agencies. During the time since the last general rate case filing, Suburban has not been cited, fined or otherwise disciplined by the California Department of Health Services.

The Whittier/La Mirada service area currently supplies water in 17 pressure zones that range in elevation from 265 to 975 feet above sea level. System pressures are designed to range from 40 PSI to 125 PSI. Where pressure at the service connection is designed to exceed 80 PSI, potential customers are informed so that they can install pressure

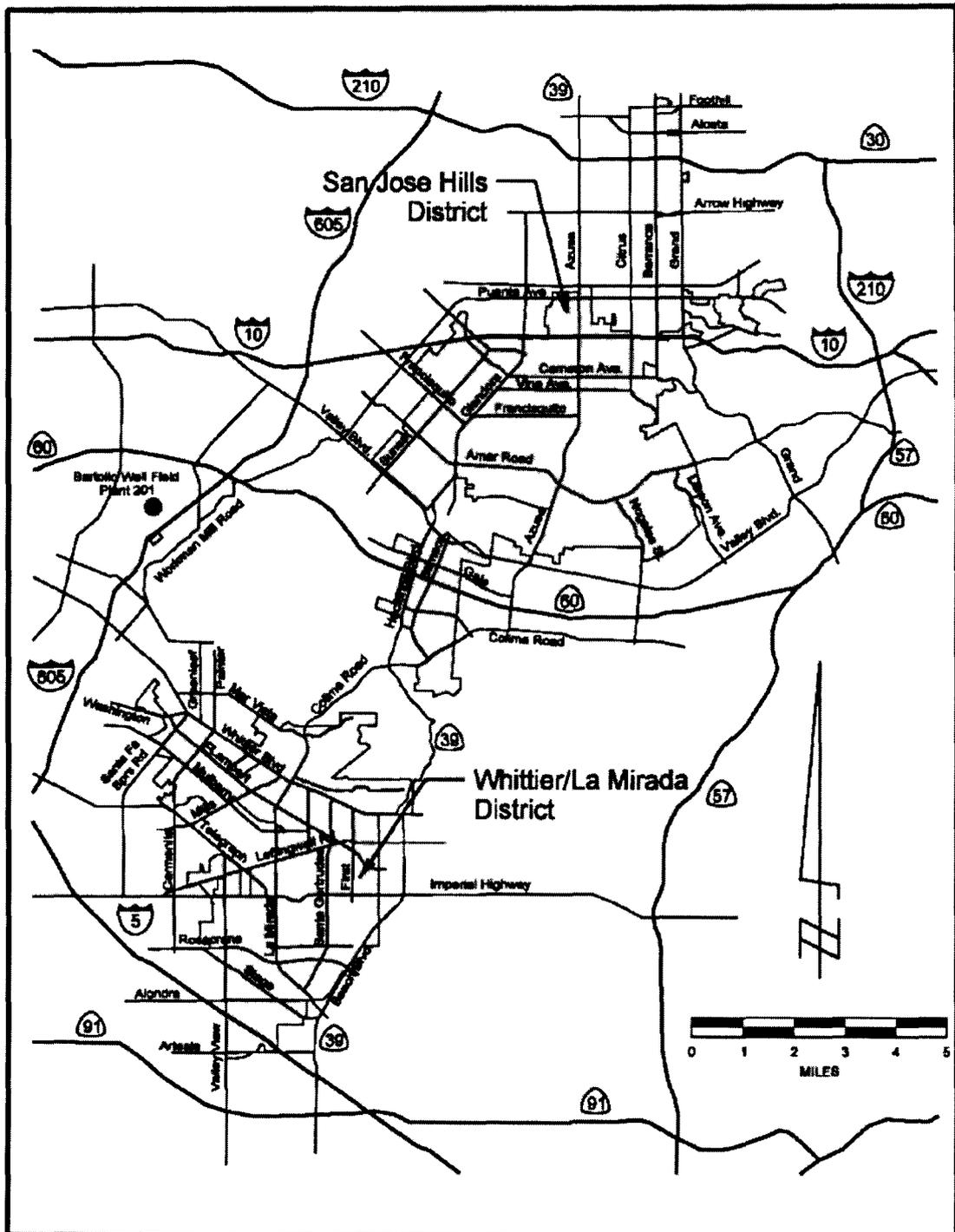
reducers to comply with local plumbing codes. This system normally produces approximately 15,000 acre feet of water per year, through 7 wells and 19 interconnections, 50 boosters, 12 reservoirs, and approximately 384 miles of main. Within the service area, it is necessary to balance demand among the pressure zones, while providing adequate service and water quality to individual customers. Figure 3-3 shows schematically the sources of supply to the Whittier/La Mirada service area. Well data for each well is shown in Table 3-3.

The Service Area produces a majority of its water supply from Company owned wells that extract ground water from two adjudicated water basins: the Main San Gabriel Basin and the Central Basin. Both basins had been in overdraft for many years. Court appointed watermasters manage local supplies and spreading of imported water in both basins to assure adequate supplies for all producers, including Suburban. Production from Company wells is subject to assessments levied by the watermasters to cover expenses incurred in the program of administering and replenishing the water supply in the basins.

Storage. As shown in Table 3-4 the Service Area has 2 concrete reservoirs and 10 steel reservoirs with a total capacity of 30,330,000 gallons.

Water Treatment. The Service Area adds chlorine to the system at most well sites with hypochlorinators and to reservoirs as required by system conditions.

Public Relations. There were two Suburban informal complaints filed with the CPUC in 2009. There were no formal complaints filed.



06/17/2006
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 MODEL: Default

Suburban Water Systems



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**Exhibit 3-1
Company Service Areas**

Table 3-1

SUBURBAN WATER SYSTEMS SAN JOSE HILLS					
SERVICE AREA WELL DATA					
WELL NO.	DIAMETER IN INCHES	DEPTH FT.	SWL FT.	MOTOR HP.	CAPACITY G.P.M.
125W-2*	18	1190	189	150	780
121W-1	16	1132	211	200	2400
126W-2*	16	660	185	200	820
139W-2*	18	408	147	200	2600
139W-4	20	846	151	365	1500
139W-5*	18	1220	152	250	2900
139W-6*	18	1220	153	350	3500
140W-3*	18	562	115	75	1100
140W-4*	18	1210	126	250	3300
140W-5*	18	1340	124	300	3200
142W-2	16	1390	170	400	3000
147W-3	18	1020	128	450	1200
151W-2	16	1400		500	3500
RASF W-1	16	1170	190	200	2400

* Temporarily out of service.

Table 3-2

SUBURBAN WATER SYSTEMS SAN JOSE HILLS SERVICE AREA RESERVOIRS					
RESERVOIR NO.	TYPE OF CONSTRUCTION	PRESSURE ZONE SERVED	ELEVATION (FT.)		CAPACITY GALLONS
			BTE	OVERFLOW	
109R-2	Steel	660	663	686	300,000
109R-3	Steel	660	663	686	2,500,000
110R-1	Steel	850	700	726	2,500,000
115R-2	Steel	830	813	840	500,000
121R-1	Steel	547	382.5	399.5	2,400,000
121R-2	Steel	547	382.5	399.5	600,000
128R-1	Concrete	520	324	331	500,000
129R-1	Concrete	547	526	554	2,500,000
129R-2	Steel	547	525	554	5,000,000
132R-1	Steel	520	492	524	500,000
132R-2	Steel	520	492	524	3,500,000
141R-1	Concrete	547	425	437	1,500,000
162R-1	Steel	740	709	740	3,000,000
165R-1	Steel	1140	1110	1140	1,000,000
167R-1	Steel	1305	1275	1305	1,500,000
503R-1	Steel	730	700	728.5	7,000,000
505R-1	Steel	900	870	898.5	7,000,000
507R-1	Steel (Bolt)	1080	1057	1080	640,000
507R-2	Steel (Bolt)	1080	1057	1080	740,000

Table 3-3

SUBURBAN WATER SYSTEMS WHITTIER/LA MIRADA SERVICE AREA WELL DATA					
WELL NO.	DIAMETER IN INCHES	DEPTH FT.	WATER DEPTH FT.	MOTOR HP.	CAPACITY G.P.M.
201W-4	16	622	69 PWL	300	2300
201W-5	18	610	112 PWL	200	2200
201W-7	18	660	50 SWL	400	3500
201W-8	18	680	32 SWL	400	3500
201W-9	18	680	38 SWL	450	3500
201W-10	18	650	38 SWL	450	3500
409W-3	16	1400	82 SWL	400	2500

Table 3-4

SUBURBAN WATER SYSTEMS WHITTIER/LA MIRADA SERVICE AREA RESERVOIRS					
RESERVOIR NO.	TYPE OF CONSTRUCTION	PRESSURE ZONE SERVED	ELEVATION (FT.)		CAPACITY GALLONS
			BTE	OVERFLOW	
216R-1	Concrete Lined	400	248	265	5,400,000
217R-1	Steel	520	491	523	1,380,000
221R-1	Steel	620	590	622	460,000
231R-1	Concrete	500	253	268	120,000
235R-1	Steel	520	490	522	2,200,000
236R-1	Steel	600	603	635	1,880,000
238R-1	Steel	800	810	840	2,790,000
408R-1	Steel Lined (Buried)	335	310	335	7,100,000
408R-2	Steel	450	347	377	2,540,000
408R-3	Steel	450	347	379.5	2,980,000
409R-1	Steel	285	81	113	1,480,000
428R-1	Steel	450	420	452	2,000,000

4 Chapter - Water Sales and Operating Revenues

Report On Demand Forecasts For Residential And Business Customers- August 2010

1. Introduction

Suburban Water Systems serves water to a population of about 300,000 in two service areas, San Jose Hills and Whittier-La Mirada. These service areas cover an area that includes all or portions of Glendora, Covina, West Covina, La Puente, Hacienda Heights, City of Industry, Whittier, La Mirada, La Habra, Buena Park and unincorporated portions of California's Los Angeles and Orange counties. Table 1 summarizes weather-adjusted data and the final forecasts for residential and business customers. These forecasts were prepared in accordance with the California Public Utilities Commission's Rate Case Plan as it defines the acceptable method of forecasting water use (Decision 07-05-062, Appendix A, page 22, Footnote 4), with certain adjustments in order to consider dramatic changes in customers' historic water usage habits in Suburban's service area.

Table 1
Weather Normalized Use Per Customer
With Adjustment for Conservation Programs
(CCF)

Use Per Customer Category	Weather-Adjusted				Combined*	Forecast		
	2006	2007	2008	2009		2010	2011	Test Year 2012	Attrition 2013
San Jose Hills Residential	244.8	258.1	241.2	226.0	221.6	219.6	216.6	213.7
Business	1,447.9	1,431.7	1,348.2	1,258.5	1,247.9	1,225.7	1,201.8	1,178.0
Whittier-La Mirada Residential	226.1	239.1	226.1	212.6	212.0	209.2	207.6	206.0
Business	1,326.8	1,418.8	1,337.3	1,263.8	1,252.1	1,233.8	1,219.4	1,204.9

Weather adjusted through May, forecast for June-December

Report On Demand Forecasts For Industrial, Public Authority and Construction Water Customers

San Jose Hills Service Area industrial water usage is shown on Table 4-1 with the last recorded water sales per customer equal to 27,747 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 25,628 Ccf. Thereafter industrial water usage is projected to decline to 13,567 to reflect the impact of some industrial water customers switching to recycled water.

San Jose Hills Service Area sales to public authorities water usage is shown on Table 4-1 with the last recorded water sales per customer equal to 2,320 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 1,969 Ccf. No change in sales per customer is foreseen through December 31, 2013.

San Jose Hills Service Area construction water sales is shown on Table 4-2 with the last recorded water sales per customer equal to 264 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 1,014 Ccf. No change in sales per customer is foreseen through December 31, 2013.

Whittier/La Mirada Service Area industrial sales is shown on Table 4-1 with the last recorded water sales per customer equal to 5,088 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 6,521 Ccf. No change in sales per customer is foreseen through December 31, 2013.

Whittier/La Mirada Service Area sales to public authorities is shown on Table 4-1 with the last recorded water sales per customer equal to 2,869 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 3,125 Ccf. No change in sales per customer is foreseen through December 31, 2013.

Whittier/La Mirada Service Area sales to other utilities for resale is shown on Table 4-1 with the last recorded water sales per customer equal to 449 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 350 Ccf. No change in sales per customer is foreseen through December 31, 2013.

Whittier/La Mirada Service Area construction water sales is shown on Table 4-1 with the last recorded water sales per customer equal to 705 Ccf. The 2010 adjusted year sales is the average of the last five recorded years, which is 964 Ccf. No change in sales per customer is foreseen through December 31, 2013.

4.1 Projected Water Sales and Metered Customers

Projected metered customer growth for all areas was estimated consistent with the requirements of the Revised Rate Case Plan for Class A Water Utilities. The five-year average change in customers by customer class was added to the test year customers (subtracted in the case of San Jose Hills and Whittier/La Mirada residential customers since the five-year average showed a small reduction in customers). The second escalation year customers were estimated by adding the five-year average change in customers by customer class to the first escalation year customers.

Water sales by customer class for each year through estimated year December 31, 2013 are shown in Table 4-7. Residential, business, and public authorities sales shown in this table were computed using the average number of customers from Tables 4-2 and 4-3 and the average water usage per customer from Tables 4-1.

Unmetered Customers

Additions of new unmetered customers (private fire protection service and fire hydrant service on private property) are based on five-year historical average.

Recycled Water

On November 3, 2010, Suburban entered into an agreement with the Upper San Gabriel Valley Municipal Water District ("Upper District") to purchase recycled water. Recycled water represents a new resource that will benefit all San Jose Hills Service Area customers by lessening Suburban's dependence on potable water supplies. Recycled water will be made available to current high-use non-residential water customers such as golf courses that will be switching to recycled water. Suburban proposes to price recycled water in the same manner as potable water. The only difference is the quantity rate for recycled water, which is discounted 15% from potable quantity rates. Other than the obvious water quality differences, Suburban is committed to providing the same high level of service to all San Jose Hills Service Area customers. Recycled water sales are shown on Table 4-1 beginning in 2011 with annual sales of 10,211 Ccf. No change in sales per customer is foreseen through December 31, 2013. Computation of recycled water sales is shown on Table 4-7L, including the projected reclass of customers from potable water to recycled water.

Non-Tariffed Services

In 2001, the Company implemented a new non-tariffed service pursuant to the Commission's Privatization and Excess Capacity Decision 00-07-018. Decision 00-07-018 was subsequently revised by Decision 03-04-028, which has since been revised by Decision 04-12-023, and more recently by the affiliate transactions rulemaking R.09-04-012 in

Decision 10-10-019. This program offers customers houseline maintenance services. Minimal utility resources are involved in the program. Revenue sharing is accounted for in accordance with the affiliate transactions decision. See Table 4-10 for revenue sharing through December 31, 2013.

4.2 Revenues at Present Rates

Present rate revenues through estimated year December 31, 2013 at present water rates were calculated as shown in Table 4-7 based on the customer and water sales data shown in Tables 4-1 through 4-6. The amortization of deferred revenues associated with taxable contributions in aid of construction is computed in Table 8-8.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
WATER SALES PER CUSTOMER, Ccf

TABLE 4-1

Line Number	Description (California Public Utilities Commission Acct Number)	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>RESIDENTIAL SALES (601.11)</u>										
1.	Recorded Sales, San Jose Hills Service Area	238.5	247.9	262.3	244.4	227.9				
2.	Estimated Sales, San Jose Hills Service Area						221.6	219.6	216.6	213.7
3.	Recorded Sales, Whittier/La Mirada Service Area	221.1	229.0	242.6	229.1	213.8				
4.	Estimated Sales Based on Normal Weather, Whittier/La Mirada Service Area						212.0	209.2	207.6	206.0
<u>BUSINESS SALES (601.12)</u>										
5.	Recorded Sales, San Jose Hills Service Area	1,507.6	1,538.5	1,546.8	1,490.5	1,374.6				
6.	Estimated Sales, San Jose Hills Service Area						1,247.9	1,225.7	1,201.8	1,178.0
7.	Recorded Sales, Whittier/La Mirada Service Area	1,381.0	1,351.0	1,451.0	1,361.0	1,278.0				
8.	Estimated Sales Based on Normal Weather, Whittier/La Mirada Service Area						1,252.1	1,233.8	1,219.4	1,204.9
<u>INDUSTRIAL SALES (601.2)</u>										
9.	Recorded Sales, San Jose Hills Service Area	23,604	25,356	27,878	23,554	27,747				
10.	Estimated Sales, San Jose Hills Service Area						25,628	13,567	13,567	13,567
11.	Recorded Sales, Whittier/La Mirada Service Area	7,040	7,240	7,166	6,070	5,088				
12.	Estimated Sales, Whittier/La Mirada Service Area						6,521	6,521	6,521	6,521
<u>SALES TO PUBLIC AUTHORITIES (601.3)</u>										
13.	Recorded Sales, San Jose Hills Service Area	2,165	2,516	2,827	2,533	2,320				
14.	Estimated Sales, San Jose Hills Service Area						2,472	1,969	1,969	1,969
15.	Recorded Sales, Whittier/La Mirada Service Area	2,903	3,135	3,506	3,213	2,869				
16.	Estimated Sales, Whittier/La Mirada Service Area						3,125	3,125	3,125	3,125
<u>SALES TO OTHER WATER UTILITIES FOR RESALE (606)</u>										
17.	Recorded Sales, San Jose Hills Service Area	0	0	0	0	0				
18.	Estimated Sales, San Jose Hills Service Area						0	0	0	0
19.	Recorded Sales, Whittier/La Mirada Service Area	306	311	329	357	449				
20.	Estimated Sales, Whittier/La Mirada Service Area						350	350	350	350
<u>CONSTRUCTION WATER SERVICE (609)</u>										
22.	Recorded Sales, San Jose Hills Service Area	151	1,816	1,701	1,139	264				
23.	Estimated Sales, San Jose Hills Service Area						1,014	1,014	1,014	1,014
24.	Recorded Sales, Whittier/La Mirada Service Area	2,296	342	818	660	705				
25.	Estimated Sales, Whittier/La Mirada Service Area						964	964	964	964
<u>RECYCLED WATER SALES</u>										
26.	Recorded Sales, San Jose Hills Service Area	0	0	0	0	0				
27.	Estimated Sales, San Jose Hills Service Area						0	10,211	10,211	10,211

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS SERVICE AREA
 METERED WATER SERVICE CUSTOMERS BY METER SIZE, AVERAGE FOR YEAR

TABLE 4-2

Line Number	Customer Class (PUC Account #)	Meter Size, Inches	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
AVERAGE METERED WATER SERVICE CUSTOMERS											
1	RESIDENTIAL (601 11)	5/8 x 3/4	2,053	2,049	2,042	2,034	2,033	2,028	2,023	2,018	2,013
2		3/4	30,526	30,513	30,509	30,491	30,469	30,455	30,441	30,427	30,413
3		1	6,557	6,583	6,594	6,597	6,587	6,595	6,603	6,611	6,619
4		1-1/2	538	539	542	545	541	542	543	544	545
5		2	148	150	154	156	155	157	159	161	163
6		3	10	10	10	10	10	10	10	10	10
7	SUBTOTAL RESIDENTIAL CUSTOMERS		39,832	39,844	39,851	39,833	39,795	39,787	39,779	39,771	39,763
8	BUSINESS (601 12)	5/8 x 3/4	20	20	19	20	23	24	25	26	27
9		3/4	318	323	323	319	316	316	316	316	316
10		1	351	353	359	361	366	370	374	378	382
11		1-1/2	289	288	300	312	314	320	325	331	337
12		2	478	472	474	481	487	489	486	488	490
13		3	79	79	79	79	78	78	76	76	76
14		4	23	23	24	25	25	26	26	27	28
15		6	4	4	4	4	4	4	4	4	4
16		8	4	4	4	4	4	4	4	4	4
17	SUBTOTAL BUSINESS CUSTOMERS		1,566	1,566	1,586	1,605	1,617	1,631	1,636	1,650	1,664
18	INDUSTRIAL (601 2)	3/4*	2	1	1	1	1	1	1	1	1
19		1	1	1	1	1	1	1	1	1	1
20		1-1/2	0	0	0	0	0	0	0	0	0
21		2	10	10	10	9	9	9	7	7	7
22		3	2	2	1	1	1	1	1	1	1
23		4	5	4	4	4	4	4	4	4	4
24		6	3	3	5	5	5	6	7	8	9
25		8	2	2	0	0	0	0	0	0	0
26		10	1	1	1	1	1	1	0	0	0
27	SUBTOTAL INDUSTRIAL CUSTOMERS		26	24	23	22	22	23	21	22	23
28	PUBLIC AUTHORITIES (601 3)	5/8 x 3/4	8	9	9	9	9	9	9	9	9
29		3/4	29	27	27	26	25	24	21	20	19
30		1	23	24	25	25	26	27	27	28	29
31		1-1/2	17	16	16	15	15	15	12	12	12
32		2	156	156	158	160	162	164	131	133	135
33		3	43	43	44	45	44	44	44	44	44
34		4	26	26	26	26	27	27	27	27	27
35		6	1	1	1	1	1	1	1	1	1
36		8	1	1	1	1	1	1	1	1	1
37	SUBTOTAL PUBLIC AUTHORITIES CUSTOMERS		304	303	307	308	310	312	273	275	277
38	SALES TO OTHER WATER UTILITIES FOR RESALE (606)	3/4	0	0	0	0	0	0	0	0	0
39		1	0	0	0	0	0	0	0	0	0
40		2	0	0	0	0	0	0	0	0	0
41		4	0	0	0	0	0	0	0	0	0
42		6	0	0	0	0	0	0	0	0	0
43	SUBTOTAL SALES TO OTHER WATER UTILITIES CUSTOMERS		0	0	0	0	0	0	0	0	0
44	CONSTRUCTION WATER SERVICE (609)	2	14	20	21	16	11	10	9	8	7
45	TOTAL AVERAGE METERED WATER SERVICE CUSTOMERS		41,742	41,757	41,788	41,784	41,755	41,763	41,718	41,726	41,734

SUBURBAN WATER SYSTEMS
 WHITTIER/LA MIRADA SERVICE AREA
 METERED WATER SERVICE CUSTOMERS BY METER SIZE, AVERAGE FOR YEAR

TABLE 4-3

Line Number	Customer Class (PUC Account #)	Meter Size, Inches	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
AVERAGE METERED WATER SERVICE CUSTOMERS											
1	RESIDENTIAL (601 11)	5/8 x 3/4	5,336	5,326	5,303	5,286	5,313	5,307	5,301	5,295	5,289
2		3/4	20,256	20,260	20,273	20,276	20,266	20,269	20,272	20,275	20,278
3		1	5,078	5,078	5,078	5,063	5,059	5,054	5,049	5,044	5,039
4		1-1/2	286	284	287	286	281	280	279	278	277
5		2	43	36	37	34	29	26	23	20	17
6		3	3	3	2	2	2	2	2	2	2
7		4	0	1	1	1	0	0	0	0	0
8		6	0	0	0	0	0	0	0	0	0
9	SUBTOTAL RESIDENTIAL CUSTOMERS		31,002	30,988	30,981	30,948	30,950	30,938	30,926	30,914	30,902
10	BUSINESS (601 12)	5/8 x 3/4	55	57	59	62	63	65	67	69	71
11		3/4	214	220	224	231	238	244	250	256	262
12		1	273	282	293	302	311	321	331	341	351
13		1-1/2	332	338	341	346	352	362	372	382	392
14		2	488	497	500	507	511	517	523	529	535
15		3	56	56	58	59	59	60	61	62	63
16		4	25	25	25	26	26	26	26	26	26
17		6	6	6	6	6	6	6	6	6	6
18		8	1	1	1	1	1	1	1	1	1
19	SUBTOTAL BUSINESS CUSTOMERS		1,450	1,482	1,507	1,540	1,567	1,597	1,627	1,657	1,687
20	INDUSTRIAL (601 2)	1	2	2	2	3	3	3	3	3	3
21		1-1/2	1	1	1	1	1	1	1	1	1
22		2	9	9	9	9	9	9	9	9	9
23		3	1	1	1	1	1	1	1	1	1
24		4	3	3	3	3	3	3	3	3	3
25		6	2	2	2	2	2	2	2	2	2
26		8	0	0	0	0	0	0	0	0	0
27	SUBTOTAL INDUSTRIAL CUSTOMERS		18	18	18	19	19	19	19	19	19
28	PUBLIC AUTHORITIES (601 3)	5/8 x 3/4	1	2	3	4	5	6	7	8	9
29		3/4	30	30	31	31	31	31	31	31	31
30		1	42	43	43	45	48	50	52	54	56
31		1-1/2	24	24	24	24	27	28	29	30	31
32		2	49	49	49	51	52	53	54	55	56
33		3	17	16	16	16	18	18	18	18	18
34		4	34	34	34	34	34	34	34	34	34
35		6	4	4	4	4	4	4	4	4	4
36		8	1	1	0	0	0	0	0	0	0
37	SUBTOTAL PUBLIC AUTHORITIES CUSTOMERS		202	203	204	209	219	224	229	234	239
38	SALES TO OTHER WATER UTILITIES FOR RESALE (606)	5/8 x 3/4	1	1	1	1	1	1	1	1	1
39		3/4	9	9	9	9	9	9	9	9	9
40		1	1	1	1	1	1	1	1	1	1
41		1-1/2	1	1	1	1	1	1	1	1	1
42		2	2	2	2	2	2	2	2	2	2
43		4	1	1	1	1	1	1	1	1	1
44		6	1	1	1	1	1	1	1	1	1
45	SUBTOTAL SALES TO OTHER WATER UTILITIES CUSTOMERS		16	16	16	16	16	16	16	16	16
46	CONSTRUCTION WATER SERVICE (609)	2	12	14	13	11	8	7	6	5	4
47	TOTAL AVERAGE METERED WATER SERVICE CUSTOMERS		32,700	32,721	32,739	32,743	32,779	32,801	32,823	32,845	32,867

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 UNMETERED AND METERED WATER SERVICE CUSTOMERS BY METER SIZE, AVERAGE FOR YEAR

TABLE 4-4

Line Number	Customer Class (PUC Account #)	Meter Size, Inches	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
AVERAGE UNMETERED AND METERED WATER SERVICE CUSTOMERS											
<u>SAN JOSE HILLS SERVICE AREA</u>											
1	PRIVATE FIRE PROTECTION SERVICE (604)	3	0	0	0	0	0	0	0	0	0
2		4	42	42	43	46	49	51	53	55	57
3		6	108	110	119	127	129	134	139	144	149
4		8	133	135	138	140	141	143	145	147	149
5		10	24	24	24	24	24	24	24	24	24
6	SUBTOTAL PRIVATE FIRE PROTECTION SERVICE CUSTOMERS		307	311	324	337	343	352	361	370	379
7	FIRE HYDRANT SERVICE ON PRIVATE PROPERTY (604 A)	6" Riser	16	18	21	23	23	25	27	29	31
8		6" Standard	16	17	17	18	18	19	20	21	22
9	SUBTOTAL FIRE HYDRANT ON PRIVATE PROPERTY		32	35	38	41	41	44	47	50	53
10	TOTAL UNMETERED CUSTOMERS, AVERAGE FOR YEAR		339	346	362	378	384	396	408	420	432
11	TOTAL METERED CUSTOMERS, AVERAGE FOR YEAR		41,742	41,757	41,788	41,784	41,755	41,763	41,718	41,726	41,734
12	TOTAL METERED - RECYCLED WATER CUSTOMERS, AVERAGE FOR YEAR							60	60	60	60
13	TOTAL CUSTOMERS, AVERAGE FOR YEAR		42,081	42,103	42,150	42,162	42,139	42,159	42,186	42,206	42,226
<u>WHITTIER/LA MIRADA SERVICE AREA</u>											
14	PRIVATE FIRE PROTECTION SERVICE (604)	3	0	0	0	0	0	0	0	0	0
15		4	36	37	40	43	55	60	65	70	75
16		6	114	122	125	127	130	134	138	142	146
17		8	141	143	143	144	145	146	147	148	149
18		10	45	45	45	45	45	45	45	45	45
19		12	2	2	2	2	2	2	2	2	2
20	SUBTOTAL PRIVATE FIRE PROTECTION SERVICE CUSTOMERS		338	349	355	361	377	387	397	407	417
21	FIRE HYDRANT SERVICE ON PRIVATE PROPERTY (604 A)	6" Riser	17	18	19	20	22	23	24	25	26
22		6" Standard	11	11	11	11	10	10	10	10	10
23	SUBTOTAL FIRE HYDRANT ON PRIVATE PROPERTY		28	29	30	31	32	33	34	35	36
24	TOTAL UNMETERED CUSTOMERS, AVERAGE FOR YEAR		366	378	385	392	409	420	431	442	453
25	TOTAL METERED CUSTOMERS, AVERAGE FOR YEAR		32,700	32,721	32,739	32,743	32,779	32,801	32,823	32,845	32,867
26	TOTAL CUSTOMERS, AVERAGE FOR YEAR		33,066	33,099	33,124	33,135	33,188	33,221	33,254	33,287	33,320
<u>TOTAL COMPANY</u>											
27	TOTAL CUSTOMERS, AVERAGE FOR YEAR		75,147	75,202	75,274	75,297	75,327	75,380	75,440	75,493	75,546

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS SERVICE AREA
 COMPUTATION OF RECORDED AND ESTIMATED WATER SALES BY CUSTOMER CLASS, Ccf

TABLE 4-5

Line Number	Customer Class (PUC Account #)	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
RESIDENTIAL (601 11)										
1	Average Customers	39,832	39,844	39,851	39,833	39,795	39,787	39,779	39,771	39,763
2	Average Usage	238 5	247 9	262 3	244 4	227 9	221 6	219 6	216 6	213 7
3	Tanff Area 1 Usage	4,715,201	4,867,137	5,112,322	4,761,223	4,444,657	4,332,967	4,292,997	4,233,499	4,175,977
4	Tanff Area 2 Usage	3,973,002	4,110,911	4,316,020	3,999,949	3,737,640	3,650,763	3,617,087	3,566,956	3,518,491
5	Tanff Area 3 Usage	811,360	900,471	1,023,897	973,242	886,216	833,069	825,384	813,945	802,885
6	Total Residential Usage	9,499,563	9,878,519	10,452,239	9,734,414	9,068,513	8,816,799	8,735,468	8,614,399	8,497,353
BUSINESS (601 12)										
7	Average Customers	1,566	1,566	1,586	1,605	1,617	1,631	1,636	1,650	1,664
8	Average Usage	1,507 6	1,538 5	1,546 8	1,490 5	1,374 6	1,247 9	1,225 7	1,201 8	1,178 0
9	Tanff Area 1 Usage	1,183,426	1,198,067	1,198,239	1,130,145	1,049,907	990,245	975,610	964,773	953,690
10	Tanff Area 2 Usage	1,112,122	1,143,307	1,189,557	1,167,046	1,087,667	979,915	965,433	954,709	943,742
11	Tanff Area 3 Usage	65,363	67,978	65,424	95,034	85,233	65,165	64,202	63,489	62,760
12	Total Business Usage	2,360,911	2,409,352	2,453,220	2,392,225	2,222,807	2,035,325	2,005,245	1,982,970	1,960,192
INDUSTRIAL (601 2)										
13	Average Customers	26	24	23	22	22	23	21	22	23
14	Average Usage	23,604	25,356	27,878	23,554	27,747	25,628	13,567	13,567	13,567
15	Tanff Area 1 Usage	192,594	207,509	219,000	196,132	182,122	196,482	179,396	187,936	196,479
16	Tanff Area 2 Usage	421,107	401,037	422,202	322,063	428,301	392,962	105,515	110,538	115,562
17	Tanff Area 3 Usage	0	0	0	0	0	0	0	0	0
18	Total Industrial Usage	613,701	608,546	641,202	518,195	610,423	589,444	284,911	298,474	312,041
PUBLIC AUTHORITIES (601 3)										
19	Average Customers	304	303	307	308	310	312	273	275	277
20	Average Usage	2,165	2,516	2,827	2,533	2,320	2,472	1,969	1,969	1,969
21	Tanff Area 1 Usage	285,033	301,998	374,882	337,997	308,175	327,450	274,286	276,295	278,305
22	Tanff Area 2 Usage	242,176	297,235	331,343	296,577	280,100	294,736	169,981	171,226	172,472
23	Tanff Area 3 Usage	130,870	163,162	161,736	145,472	130,870	149,078	93,372	94,056	94,740
24	Total Public Authorities Usage	658,079	762,395	867,961	780,046	719,145	771,264	537,537	541,475	545,413
CONSTRUCTION WATER SERVC (609)										
25	Average Customers	14	20	21	16	11	10	9	8	7
26	Average Usage	151	1,816	1,701	1,139	264	1,014	1,014	1,014	1,014
27	Tanff Area 1 Usage	969	5,065	1,646	923	257	943	849	754	660
28	Tanff Area 2 Usage	1,149	31,258	34,075	17,300	2,650	9,197	8,277	7,358	6,438
29	Tanff Area 3 Usage	0	0	0	0	0	0	0	0	0
30	Total Construction Water Service Usage	2,118	36,323	35,721	18,223	2,907	10,140	9,126	8,112	7,098
SUMMARY BY ZONE:										
31	Tanff Area 1 Usage	6,377,223	6,579,776	6,906,089	6,426,420	5,985,118	5,848,087	5,723,138	5,663,257	5,605,111
32	Tanff Area 2 Usage	5,749,556	5,983,748	6,293,197	5,802,935	5,536,358	5,327,573	4,866,293	4,810,787	4,756,705
33	Tanff Area 3 Usage	1,007,593	1,131,611	1,251,057	1,213,748	1,102,319	1,047,312	982,958	971,490	960,385
34	TOTAL USAGE	13,134,372	13,695,135	14,450,343	13,443,103	12,623,795	12,222,972	11,572,389	11,445,534	11,322,201

SUBURBAN WATER SYSTEMS
 WHITTIER/LA MIRADA SERVICE AREA
 COMPUTATION OF RECORDED AND ESTIMATED WATER SALES BY CUSTOMER CLASS, Ccf

TABLE 4-6

Line Number	Customer Class (PUC Account #)	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
RESIDENTIAL (601 11)										
1	Average Customers	31,002	30,988	30,981	30,948	30,950	30,938	30,926	30,914	30,902
2	Average Usage	221 1	229 0	242 6	229 1	213 8	212 0	209 2	207 6	206 0
3	Tariff Area 1 Usage	509,261	517,215	533,851	503,097	470,232	472,460	466,040	462,296	458,555
4	Tariff Area 2 Usage	6,295,948	6,530,235	6,929,805	6,534,749	6,099,274	6,039,889	5,957,805	5,909,944	5,862,119
5	Tariff Area 3 Usage	50,074	48,120	52,436	51,085	47,687	46,507	45,875	45,506	45,138
6	Total Residential Usage	6,855,283	7,095,570	7,516,092	7,088,931	6,617,193	6,558,856	6,469,719	6,417,746	6,365,812
BUSINESS (601 12)										
7	Average Customers	1,450	1,482	1,507	1,540	1,567	1,597	1,627	1,657	1,687
8	Average Usage	1,381	1,351	1,451	1,361	1,278	1,252 1	1,233 8	1,219 4	1,204 9
9	Tariff Area 1 Usage	341,245	331,470	335,728	313,287	283,190	311,887	313,102	315,153	317,044
10	Tariff Area 2 Usage	1,660,980	1,670,754	1,851,331	1,782,612	1,719,045	1,687,717	1,694,291	1,705,393	1,715,622
11	Total Business Usage	2,002,225	2,002,224	2,187,059	2,095,899	2,002,235	1,999,604	2,007,393	2,020,546	2,032,666
INDUSTRIAL (601 2)										
12	Average Customers	18	18	18	19	19	19	19	19	19
13	Average Usage	7,040	7,240	7,166	6,070	5,088	6,521	6,521	6,521	6,521
14	Tariff Area 1 Usage	125,815	129,998	127,790	114,587	96,277	123,159	123,159	123,159	123,159
15	Tariff Area 2 Usage	912	319	1,202	739	402	740	740	740	740
16	Total Industrial Usage	126,727	130,317	128,992	115,326	96,679	123,899	123,899	123,899	123,899
PUBLIC AUTHORITIES (601 3)										
17	Average Customers	202	203	204	209	219	224	229	234	239
18	Average Usage	2,903	3,135	3,506	3,213	2,869	3,125	3,125	3,125	3,125
19	Tariff Area 1 Usage	33,579	38,179	50,815	47,617	42,265	45,934	46,959	47,984	49,010
20	Tariff Area 2 Usage	552,769	598,128	664,418	623,861	586,052	654,066	668,666	683,266	697,865
21	Total Public Authorities Usage	586,348	636,307	715,233	671,478	628,317	700,000	715,625	731,250	746,875
SALES TO OTHER WATER UTILITIES FOR RESALE (606)										
22	Average Customers	16	16	16	16	16	16	16	16	16
23	Average Usage	306	311	329	357	449	350	350	350	350
24	Tariff Area 2 Usage	4,895	4,982	5,257	5,707	7,191	5,600	5,600	5,600	5,600
25	Total Sales to Other Water Utilities Usage	4,895	4,982	5,257	5,707	7,191	5,600	5,600	5,600	5,600
CONSTRUCTION WATER SERVICE (609)										
26	Average Customers	12	14	13	11	8	7	6	5	4
27	Average Usage	2,296	342	818	660	705	964	964	964	964
28	Tariff Area 2 Usage	27,557	4,794	10,638	7,256	5,642	6,748	5,784	4,820	3,856
29	Total Construction Water Service Usage	27,557	4,794	10,638	7,256	5,642	6,748	5,784	4,820	3,856
SUMMARY BY ZONE										
30	Zone 1 Usage	1,009,900	1,016,862	1,048,184	978,588	891,964	953,440	949,260	948,592	947,768
31	Zone 2 Usage	8,543,061	8,809,212	9,462,651	8,954,924	8,417,606	8,394,760	8,332,886	8,309,763	8,285,802
32	Zone 3 Usage	50,074	48,120	52,436	51,085	47,687	46,507	45,875	45,506	45,138
33	TOTAL USAGE	9,603,035	9,874,194	10,563,271	9,984,597	9,357,257	9,394,707	9,328,021	9,303,861	9,278,708

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
OPERATING REVENUES AT PRESENT WATER RATES, DOLLARS

TABLE 4-7

Line Number	Customer Class (PUC Account #)	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
OPERATING REVENUES AT PRESENT WATER RATES										
<u>METERED WATER SERVICE REVENUES</u>										
1	Residential Sales (601 11)	33,561,091	35,635,495	37,977,900	37,598,821	38,706,119	38,932,207	39,553,240	39,256,470	38,966,534
2	Business Sales (601 12)	7,394,592	7,671,882	8,225,232	8,291,189	8,876,919	8,770,367	8,952,165	8,961,221	8,967,654
3	Industrial Sales (601 2)	532,099	556,855	1,137,761	987,354	1,229,462	1,268,683	770,418	798,802	827,194
4	Sales to Public Authorities (601 3)	2,499,976	2,811,484	2,760,321	2,594,612	2,748,385	3,025,754	2,694,205	2,732,020	2,769,835
5	Sales to Other Water Utilities for Resale (606)	14,927	15,804	17,435	19,096	24,532	22,254	22,779	22,779	22,779
6	Construction/Flooding Sales (601 4)	28,312	79,591	94,971	60,935	30,884	43,652	39,429	34,184	28,936
7	Recycled Water Sales	0	0	0	0	0	0	971,549	971,549	971,549
8	TOTAL METERED WATER SERVICE REVENUES	44,030,998	46,771,112	50,213,620	49,552,007	51,616,301	52,062,917	53,003,785	52,777,025	52,554,481
<u>OTHER WATER SERVICE REVENUES</u>										
9	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
10	Private Fire Protection Service (604)	581,841	609,265	655,951	685,256	757,622	811,667	835,453	852,535	869,619
11	Fire Hydrant Service on Private Property (604 A)	62,510	67,076	74,672	80,021	90,723	16,280	17,272	18,125	18,977
12	TOTAL OTHER WATER SERVICE REVENUES	1,284,800	1,350,839	1,487,175	1,537,648	1,653,150	1,620,976	1,660,231	1,675,034	1,689,900
13	TOTAL WATER SERVICE REVENUES	45,315,798	48,121,951	51,700,795	51,089,655	53,269,451	53,683,893	54,664,016	54,452,059	54,244,381
14	Total Water Service Revenues Less P U C Reimbursement Fee	44,675,350	47,447,453	50,944,243	50,317,284	52,464,646	52,890,864	53,856,510	53,647,685	53,443,077
<u>OTHER WATER REVENUES</u>										
16	Miscellaneous Service Revenues (611)	140,809	142,497	162,811	217,186	217,044	176,069	176,069	176,069	176,069
17	Rent from Water Property (612)	7,800	7,800	7,800	8,100	7,800	7,860	7,860	7,860	7,860
18	Other Revenues (614)	11,743	14,377	21,129	20,275	11,446	15,794	15,794	15,794	15,794
19	Other Revenues - Service Line Maint Prog & Other (614)	34,919	33,449	41,206	47,612	9,149	0	0	0	0
20	Other Revenues - Fire Flow Testing								16,748	16,748
21	Other Revenues - Non Tariffed Services								144,497	144,713
22	TOTAL OTHER WATER REVENUES	195,271	198,124	232,946	293,172	245,439	199,723	199,723	360,968	361,184
23	AMORTIZATION OF DEFERRED REVENUES	11,743	10,537	9,439	8,237	7,162	6,087	5,012	3,937	2,862
24	TOTAL OPERATING REVENUES AT PRESENT RATES Less PUC Fee	44,882,363	47,656,114	51,186,628	50,618,693	52,717,247	53,096,674	54,061,245	54,012,590	53,807,123

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS SERVICE AREA
 COMPUTATION OF ESTIMATED RECYCLED WATER SALES , Ccf

WORKSHEET 4-7L

Line Number	Customer Class (PUC Account #)	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
ALL RECYCLED WATER CUSTOMERS										
1	Average Customers Reclassed						60	60	60	
2	Average Usage						10,211	10,211	10,211	
3	Tariff Area 1 Usage						12,233	12,233	12,233	
4	Tariff Area 2 Usage						534,368	534,368	534,368	
5	Tariff Area 3 Usage						66,061	66,061	66,061	
6	Total Recycled Water Reclassed from Potable Water Usage						<u>612,662</u>	<u>612,662</u>	<u>612,662</u>	
<u>RECLASS DETAIL:</u>										
BUSINESS										
7	Average Customers						9	9	9	
8	Average Usage						24,685	24,685	24,685	
9	Tariff Area 1 Usage						0	0	0	
10	Tariff Area 2 Usage						193,178	193,178	193,178	
11	Tariff Area 3 Usage						28,990	28,990	28,990	
12	Total Recycled Water Reclassed from Business Usage						<u>222,168</u>	<u>222,168</u>	<u>222,168</u>	
INDUSTRIAL										
13	Average Customers						3	3	3	
14	Average Usage						84,426	84,426	84,426	
15	Tariff Area 1 Usage						0	0	0	
16	Tariff Area 2 Usage						253,277	253,277	253,277	
17	Tariff Area 3 Usage						0	0	0	
18	Total Recycled Water Reclassed from Industrial Usage						<u>253,277</u>	<u>253,277</u>	<u>253,277</u>	
PUBLIC AUTHORITIES										
19	Average Customers						48	48	48	
20	Average Usage						2,859	2,859	2,859	
21	Tariff Area 1 Usage						12,233	12,233	12,233	
22	Tariff Area 2 Usage						87,913	87,913	87,913	
23	Tariff Area 3 Usage						37,071	37,071	37,071	
24	Total Recycled Water Reclassed from Public Authorities Usage						<u>137,217</u>	<u>137,217</u>	<u>137,217</u>	

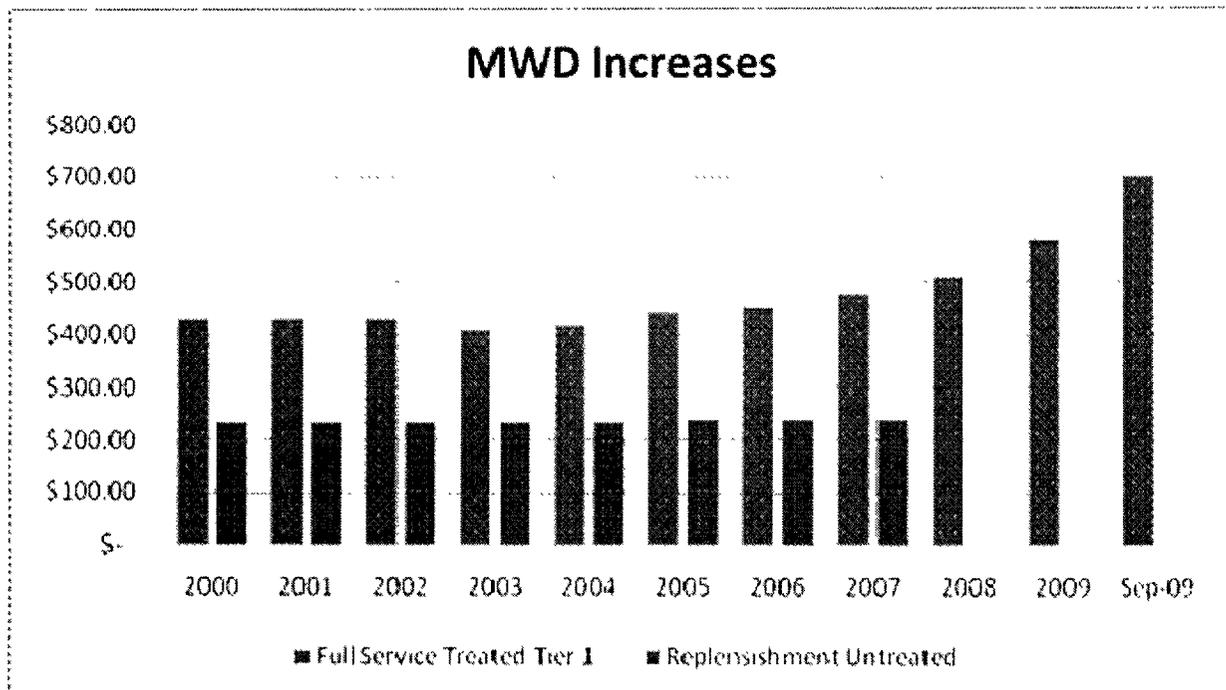
5 Chapter - Operating Expenses

Summary of Suburban Water Systems' payroll, operation and maintenance expenses and administrative and general expenses for recorded years 2005 through 2009, estimated years 2010 and 2011, and test years 2012 and 2013, are presented in Table 5. Summary of Parent Company expenses are presented in Table 5-2, and Summary of Utility Group's expenses are presented in Table 5-2C. The development of estimated and test years expenses for years ending December 31, 2010 through 2013 is discussed in this chapter.

5.1 Volume Related Expenses

Volume related expenses, particularly pump taxes and purchased water, have increased greatly.

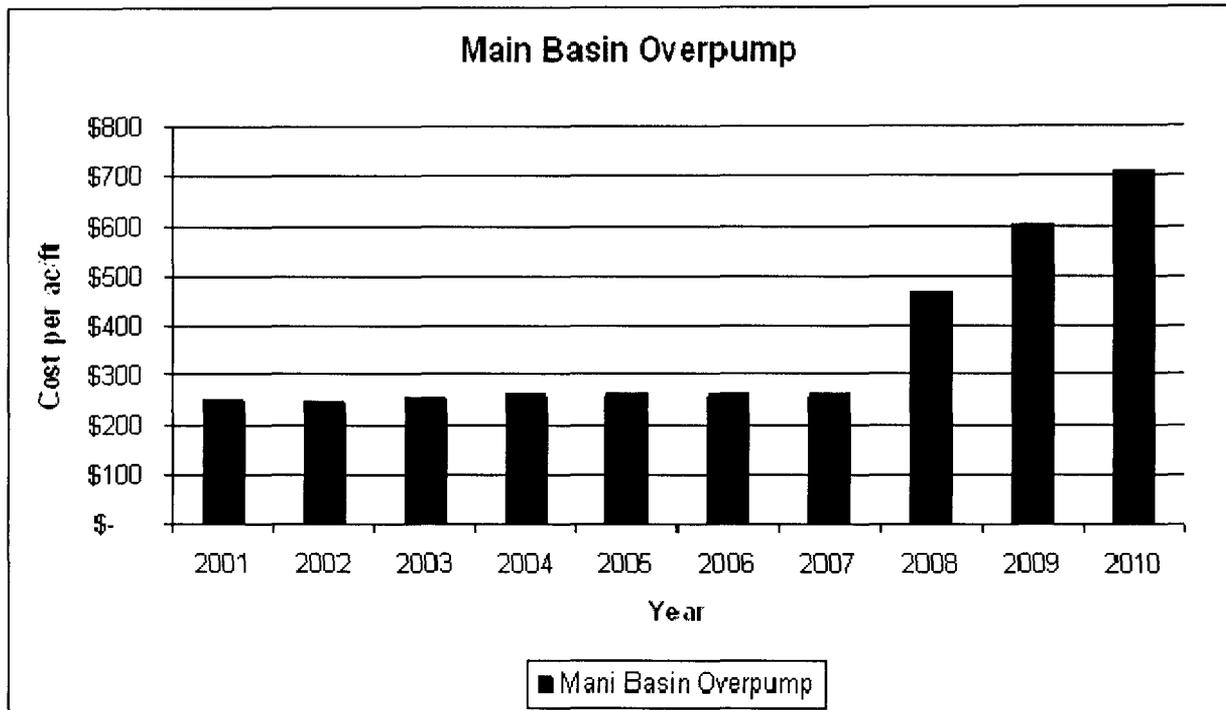
Purchased Water - Purchased water costs have experienced substantial increases:



Due to the prolonged drought on the Colorado River and coupled with regulatory pumping restrictions on the Sacramento-San Joaquin River Delta, the volume of imported water into Southern California by Metropolitan Water District has been significantly reduced. By 2009, MWD had also depleted a significant amount of reserves in storage. MWD responded with an aggressive conservation campaign in concert with a 14% increase in January 2009 in its Full Service Tier 1 rate, followed by a 20% increase in September 2009. MWD also implemented their Water Supply Allocation Plan (WSAP) in July 2009. The WSAP reduced member agencies' Tier 1 allocation and imposed severe penalties for exceeding the Tier 1 allocation. The WSAP also officially suspended untreated replenishment deliveries that already had been unavailable since

2007. MWD now believes that they will only have replenishment water available three out of every ten years.

Pump Taxes - Main Basin Over Pump charges have also soared in the last two and a half years due to the lack of the discounted MWD Replenishment rate.



Groundwater basins have historically relied on replenishment water from MWD to meet replenishment requirements. Due to the lack of the availability of replenishment water, both Main Basin and Central Basin, where Suburban pumps its groundwater, have experienced declines in groundwater elevations. Main Basin's Baldwin Park key well reached a new historic low on December 3, 2009 of 189.2 feet, This is down 5 feet from the previous historic low of 195 feet and 11 feet below the 200 foot minimum operating range. Suburban produces the majority of its groundwater from the Main Basin. As a result of MWD suspending the replenishment water and the basin being at a historic low, the Main Basin Watermaster began purchasing costly MWD Untreated Tier 1 and Tier 2 water to meet the replenishment obligations. The Water Replenishment District (WRD), the entity responsible for Central Basin groundwater replenishment, has recently began purchasing MWD Untreated Tier 1 water for replenishment but currently has over a 20,000 ac/ft deficit from previous years. On November 19, 2010 the WRD board passed resolution number 10-892 declaring a water emergency due to the reduction of imported water. All of these events have driven up Suburban's costs dramatically.

Similarly, all of Suburban's water costs have been affected by the increases in MWD rates. Suburban purchases water directly from Upper San Gabriel Valley MWD, Central Basin MWD, and indirectly purchases water from Three Valleys MWD via a connection with the Walnut Valley Water District. All three of these MWD sources have seen significant increases in the cost of water.

In the Main San Gabriel Basin we have seen leases, cyclic storage and replenishment water costs increasing due to the lack of replenishment water and increases in MWD's cost of water. At Covina Irrigating Company, a mutual water company where Suburban is a minority shareholder, leases are based on the MWD Tier 1 rate and as a result the cost of water we purchase from CIC has been significantly impacted.

Suburban has previously supported these substantial cost increases by reserve account offset advice letter filings with the Commission covering periods June 2007 through June 2010 (Suburban Advice Letters 257-W, \$2,442,825, Advice Letter 272-W, \$6,185,804 and Advice Letter 276-W, \$3,960,228).

Based on the assumption that these higher pump taxes and purchased water costs will be allowed to be recovered in general rates, we have assumed that balancing accounts for Pumped, Purchased Water and Power will be zero for estimated and test years 2010 through 2013.

5.2 Payroll Expenses

For test years December 31, 2012 and 2013, amounts were based on 2010 salaries at full employment escalated using DRA's Wage Escalation Factor as of October 31, 2010, plus seven new proposed positions as discussed in Chapter Three. One of those new positions, a Director of Risk Management and Audit, will be transferred from Parent Company to Suburban effective January 1, 2011. In addition to the future new positions, since the last rate case, some restructuring has already occurred, resulting in a net addition of seven positions (five new positions added, three positions eliminated, four positions transferred from Utility Group, and one position transferred from Parent Company).

Payroll expenses for overtime, standby, vacation sold, no meal penalty, incentive compensations, and capitalized payroll for test years 2012 and 2013 are calculated based on 2009 experience. Those percentages of total payroll expenses are estimated to be representative of the levels that will be incurred in the test years.

5.3 Operating Expenses Other Than Payroll and Volume Related

Expenses for Transmission and Distribution Line Repair, Field Supplies and Service Line Repair are calculated based on five-year average escalated for other expenses, and reduced by \$51,979 for test year 2012 under the assumption that Suburban's request to add a three-person leak crew will be approved. If the leak crew is not approved, this \$51,979 amount should be restored to cost of service.

Travel/Expense Report, Meal, Entertainment, and Training/Seminars expenses were projected based on a 5-year average recorded experience escalated. For 2011, the escalated amount includes expenses for the employees that have already been hired and requested for approval in this rate case, and employees that were transferred to Suburban from Parent Company and Utility Group, which are also being requested in this proceeding as discussed in Chapter 3.

Safety Incentives were calculated based on escalated amount of 2010 estimated costs.

Leased vehicles for renewals were projected based on average lease cost for equivalent model specifications.

Net proceeds from sales of formerly leased vehicles were projected to be zero, the sale prices approximating the cost of purchasing the vehicles at the end of the leases.

Building utilities expenses have been projected based on 2009 expense escalated by DRA's other expenses escalation factor.

Claims paid were projected based on escalation of 2009 expenses.

Legal fees were projected based on the escalated 2010 amount annualized as of July 2010. The expenses mainly are for California Public Utilities Commission proceedings where the legal costs were not allowed to be deferred in a memorandum account.

Professional dues have been projected based on the 2009 amount escalated.

Postage - General postage has been projected based on the 2009 amount escalated. Postage - A/R bills was projected based on 2009 postage used for customer mailings compared to the number of customers served by Suburban. Postage rates are based on January 1, 2010 for 5-Digit, 3-Digit, and First Class mail.

For Water Conservation expense, Suburban requests \$450,000 annually to include the following:

- \$400,000 for High Efficiency Toilets (HETs) for 2,000 customers (at \$200 per HET).
- \$50,000 for public outreach and information, including educational materials and conservation kits. Suburban will also provide water audits for non-residential customers.

Effective 2010, Metropolitan Water District has eliminated HET rebates for customers. Suburban believes there is still a need within our service areas to offer HETs to customers to encourage more efficient water use in their homes and businesses.

Consistent with the decision in a recent San Gabriel Valley Water Company GRC, D.08-06-022, Suburban agrees to track its actual conservation expenditures associated with its yearly conservation budget approved in this proceeding. Suburban further agrees to also report the results of its conservation tracking as part of its next GRC application. Suburban further requests to continue its present practice as authorized in D.09-03-007 of including conservation expenses as part of its overall operating budget and not subjecting conservation expenses to one-way balancing account treatment. This is identical to the treatment provided in the San Gabriel decision.

As discussed in Chapter 4, Suburban has signed an agreement with Upper District to provide recycled water service to several large non-residential water users in Suburban's San Jose Hills Service Area.

Suburban is not requesting amortization of balancing account balances in this filing, but will request the amortization by advice letter filing in 2011. However, Suburban is requesting approval of a new balancing account, one for recycled water which will be an incremental balancing account similar to Suburban's current purchased water balancing account; that is, the balancing account will be limited to tracking variances from the adopted price level of recycled water.

Pumped water assessment charges are based on projected production that can be obtained from the Main San Gabriel Basin and the Central Basin. Purchased water expenses are based on specifically identified purchases of water from a number of sources including the Metropolitan Water District, Covina Irrigating Company, California Domestic Water Company, Walnut Valley Water District, and others. The quantities produced and purchased are based on projected sales levels computed in Chapter 4.

In the past Suburban has lost a significant amount of pumping capacity in its northern service area due to well contamination. Suburban and its ratepayers have been made whole by monthly cost reimbursements from the entities that caused the contamination (the Cooperating Respondents or "CRs"). Much of the lost pumping capacity has been regained. Nevertheless, Suburban expects to continue receiving cost reimbursements in the test years as reflected in Table 5-3. On May 18, 2010 Suburban signed an agreement settling a replacement water dispute and an Azusa connection dispute with the CRs. Given Suburban's potential exposure in the mediation, the mediation resulted in a satisfactory outcome for Suburban. For example, the CRs waived all claims for past damages. Nevertheless, the mediation outcome will result in reduced future cost reimbursements by the CRs.

Suburban expects to provide recycled water service in the San Jose Hills Service Area beginning December 2010, provided that the Commission approves Suburban's pending Advice Letter No. 278-W that was filed on November 5, 2010. Suburban's revenue requirement in this application assumes that that recycled water will become part of Suburban's supply mix and that stranded costs brought about by potable water customers switching to recycled water will be recovered in Suburban's revenue requirement.

Purchased power expenses for test years December 31, 2012 and 2013 were computed on the basis of water quantities to be pumped using the most current Southern California Edison Company rates which is as of June 1, 2010. Southern California Gas Company rates are calculated based on the average cost for year 2009.

Uncollectible expenses are based upon projected revenues. Five-year average of historical percentage rates are applied to projected revenues to arrive at the expense level.

Franchise fees expenses are based upon projected revenues. Five-year average of historical percentage rates are applied to projected revenues to arrive at the expense level. It is assumed that recovery of excess franchise fees charged by the City of Whittier, defined as franchise fees greater than 2% of revenue, will continue to be recovered as a surcharge, a Local Government Fee, directly from Whittier customers as recently approved by Suburban Advice Letter 277-W.

Regulatory Commission expenses for 2009 and 2010 were based on CPUC findings in prior rate case decisions that refer to regulatory expenses as a projection or an estimate. For test years 2012 and 2013 the costs are based on the summation of estimated outside services for 2011 rate case, 2014 rate case, 2009 and 2012 cost of capital litigations amortized over a three year period. We have assumed this issue remains unsettled, despite the decision in the recent Golden State Region II and III proceeding, Decision 10-11-035.

Employee benefits capitalized are computed in proportion to payroll capitalized as a percent of total payroll.

Administrative expenses transferred are computed at a level of 9% of work order capital expenditures.

Transportation capitalized is computed at a level of 21% of total capitalized payroll.

5.4 Parent Company Expenses

Southwest Water Company (Southwest) is the Parent Company of a number of operating subsidiaries including Suburban. The primary services performed by Southwest on behalf of Suburban include oversight responsibility for all financial aspects of the Company, including all reporting to the shareholders and taxing authorities; maintenance of banking and corporate attorney relationships; administration of liability insurance programs; long-term strategic planning and execution of these plans for debt and equity offerings. The projected indirect expenses related to these services for 2012 and 2013 are shown on Table 5-2.

5.5 Utility Group Expenses

In 2003 Southwest created a new entity to provide management, regulatory and communications services to Suburban and Southwest's other utilities that are currently all located in other states: Texas, Mississippi, Alabama and Oklahoma. Staffing for this new entity was drawn primarily from existing employees of Suburban.

In 2010 four Utility Group employees were transferred to Suburban. The Utility Group Controller position was eliminated. Remaining in Utility Group are the Vice President of Regulatory Affairs, the Regulatory Analyst, and a new position that has already been filled and which is discussed in Chapter 3, the Manager of Regulatory Affairs.

We request continued application of the conventional 4-factor formula that the CPUC approved in Suburban's last rate proceeding and which will result in approximately 49% of Utility Group costs being allocated to other entities.

Utility Group Regular Payroll for 2010 is calculated based on annualized recorded costs year-to-date July 2010. Test years 2012 and 2013 were calculated based on escalation of estimated 2011 payroll.

Health Insurance is projected to increase by 9% for Medical and 1.2% for Dental Insurance from current levels commencing on the next insurance renewal date, July 1. See Walter Bench's testimony.

Premiums for Workers' Compensation, directors and officers insurance, travel & accident insurance, and other insurance were projected to increase from current levels by CPI-U index of 1.2% as of October 2010.

Rent, Building Utilities and Janitorial/Service Supplies expenses were projected based on the new allocation square footage building between Suburban and Utility Group.

All other expenses were projected based on escalation of 2010 annualized amount as of July 2010.

5.6 Allocation of Parent Company Expenses

Allocation of Parent Company expenses to Suburban is based on a four-factor computation shown in Table 5-2. This factor is believed to fairly represent the scope of services provided to Suburban by its parent, SouthWest. The calculation was performed in accordance with the Commission's July 26, 1956 four-factor procedure "Allocation of Administrative and General Expenses and Common Utility Plant." The decision in Suburban's last General Rate Case, D.09-03-007, approved this allocation methodology for Utility Group expenses.

5.7 Insurance

Overall premiums for Property/Earthquake Insurance, Workers' Compensation, Umbrella Pollution, Umbrella Insurance, General Liability/Crime, Employee Practices, Brokers Fee, Auto Insurance, Fiduciary Insurance, D&O Insurance, are projected to increase from current levels by CPI-U index of 1.2% as of October 2010.

Medical Insurance is projected to increase by 9% and Dental Insurance is projected to increase by 1.2% per CPI-U as of October 2010 from current levels commencing on the next insurance renewal date, July 1. See -filed testimony of Walter Bench.

5.8 Alternative Methodology

We have provided calculations of operating expenses based on alternative methodology (simple five-year average escalated) described in Table 5-4.1

5.9 Shared Services

In 2009, Suburban incurred costs for shared services from affiliates totaling \$1.2 million. Following is the detail of those costs:

	<i>2009</i>
Information Technology	\$863,922
Financial Services Center	\$172,465
Environmental Health And Safety	\$120,484
Customer Services Center	<u>\$39,140</u>
	<u>\$1,196,011</u>

Suburban is not requesting recovery of these costs in this proceeding inasmuch as this shared services structure is relatively new and the cost sharing methodologies are still in the trial stage. However, Suburban reserves the option to request recovery of shared services costs in future rate proceedings.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
OPERATING EXPENSES, DOLLARS

TABLE 5-1

Line Number	CPUC Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
PAYROLL EXPENSES											
1		Operation Payroll	1,304,116	1,397,740	1,549,962	1,832,085	1,904,610	2,282,607	2,360,285	2,519,205	2,566,409
2		Maintenance Payroll	1,119,678	1,040,605	1,022,236	926,510	883,008	1,058,253	1,094,266	1,167,944	1,189,829
3		Administrative and General Payroll	2,979,278	3,118,263	3,283,242	4,333,036	3,574,064	4,283,388	4,429,152	4,727,371	4,815,952
			5,403,072	5,556,608	5,855,440	7,091,630	6,361,682	7,624,248	7,883,703	8,414,520	8,572,190
4		TOTAL PAYROLL EXPENSES									
OPERATING EXPENSES OTHER THAN PAYROLL											
5	703	Pumped Water Assessments, Main Basin	993,172	439,418	815,301	2,551,202	6,702,135	13,281,893	12,158,140	11,938,923	11,726,091
6	703	Pumped Water Assessments, Central Basin	(164,571)	73,438	320,063	197,656	196,806	386,904	386,904	386,904	386,904
7	703	Balancing Account Expense	25,847	(2,159,560)	(1,646,550)	(1,454,300)	(5,635,608)	0	0	0	0
8	704	Purchased Water	7,741,059	9,301,169	9,426,685	7,855,442	7,747,344	13,491,315	13,618,296	13,979,155	13,756,402
9	711	Maintenance - Well Repairs	2,274	59,736	657	1,990	49,409	24,436	65,000	66,638	68,437
10	726	Purchased Power	2,221,927	2,716,811	3,073,570	3,274,388	3,354,452	2,990,077	2,929,149	2,907,778	2,886,898
11	721- 733	Other Pumping Expenses	195,916	104,509	85,134	112,530	119,917	129,643	131,744	135,064	138,710
12	741- 748	Water Treatment Expenses	433,566	502,200	501,873	509,564	541,789	611,787	621,699	637,366	654,575
13	751- 766	Transmission and Distribution Expenses	987,328	1,359,675	1,340,277	1,410,536	1,310,336	1,476,525	1,500,445	1,486,277	1,526,406
14	773	Postage	289,336	310,596	315,206	348,426	368,654	371,666	371,961	372,223	372,484
15	775	Uncollectible Accounts	83,051	93,274	39,853	71,659	49,313	74,047	74,205	75,107	74,820
16	771- 775	Other Customer Accounts Expenses	28,255	109,757	105,116	119,190	127,819	141,180	143,467	147,082	151,053
17	783	Water Conservation	26,962	24,992	30,164	50,256	138,817	200,000	200,000	450,000	450,000
18	792	Office Supplies and Other Expenses	841,673	807,853	923,222	953,715	1,049,340	1,208,939	1,321,522	1,354,826	1,391,407
19	793	Property Insurance	176,954	304,053	280,489	199,209	188,386	193,683	205,454	207,919	210,414
20	794	Insurance, Injuries and Damages	2,075,782	1,246,297	527,338	211,000	819,857	752,562	690,343	701,150	712,613
21	795	Employees' Pensions and Benefits	775,838	884,285	759,241	984,820	1,106,990	1,183,583	1,307,813	1,459,952	1,571,447
22	796	Franchise Requirements	577,561	615,436	625,335	660,503	601,149	687,581	700,135	697,420	694,760
23	797	Regulatory Commission Expenses	30,968	32,385	112,065	248,006	55,006	129,110	131,202	427,016	427,016
24	797	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
25		Amortization of CWA Legislative Fees								0	0
26	798	Outside Services Employed	285,528	488,965	269,988	172,084	561,423	648,734	659,243	675,855	694,104
27	791- 805	Other Administrative and General Expenses	404,145	378,016	364,992	204,786	208,954	245,152	249,146	255,417	262,302
28	811	Rents	256,300	337,087	395,988	384,208	387,887	448,417	451,639	457,451	463,365
29	812	General Administrative Overhead - Cr	(711,534)	(773,438)	(1,198,403)	(944,480)	(633,248)	(709,742)	(537,028)	(1,544,660)	(1,553,869)
30	901	Parent Company Allocation	3,427,000	3,401,000	3,652,596	3,879,000	5,352,968	5,103,986	4,014,811	4,093,885	4,184,274
31	901	Utility Group Allocation	672,000	748,000	878,400	924,000	610,833	287,779	236,657	247,403	253,174
32	903	Transportation Expenses - Cleanng	675,552	768,862	859,672	946,290	613,625	1,042,770	1,099,510	1,117,340	1,144,948
33	906	Tools & Work Equipment	43,318	54,296	90,895	72,161	74,065	83,301	82,965	150,131	153,593
34											
35		TOTAL OPERATING EXPENSES OTHER THAN PAYROLL	23,035,655	22,903,610	23,705,719	24,716,211	26,873,222	45,278,356	43,621,930	43,687,996	43,603,632
OPERATING EXPENSES SUMMARY											
36		PAYROLL EXPENSE	5,403,072	5,556,608	5,855,440	7,091,630	6,361,682	7,624,248	7,883,703	8,414,520	8,572,190
37		TOTAL OPERATING EXPENSES OTHER THAN PAYROLL	23,035,655	22,903,610	23,705,719	24,716,211	26,873,222	45,278,356	43,621,930	43,687,996	43,603,632
38		TOTAL OPERATING EXPENSES	28,438,727	28,460,218	29,561,159	31,807,842	33,234,903	52,902,605	51,505,633	52,102,516	52,175,822

SUBURBAN WATER SYSTEMS
PARENT COMPANY
ADMINISTRATIVE AND GENERAL EXPENSES AND ALLOCATION FACTORS, DOLLARS

TABLE 5-2

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
SOUTHWEST WATER COMPANY EXPENSES										
<u>ADMINISTRATIVE AND GENERAL EXPENSES</u>										
1	Payroll and Benefits	4,983,564	5,304,211	5,698,627	5,668,802	6,612,891	7,002,026	6,769,778	6,877,297	7,006,552
2	Public Company Costs	3,590,667	3,421,119	3,508,142	3,438,538	4,285,099	4,377,632	1,877,221	1,924,527	1,976,489
3	Office Rent and Expenses	1,433,735	1,321,207	1,474,848	798,972	556,543	2,253,876	2,311,688	2,365,441	2,424,131
4	General and Administrative	1,196,651	1,263,973	1,635,103	2,025,196	1,766,848	1,432,447	786,122	805,932	827,693
5	Other Expenses	635,175	917,215	414,142	861,995	206,919	542,539	532,900	546,329	561,080
6	Total Southwest Water Company Expenses	11,839,792	12,227,726	12,730,862	12,793,503	13,428,299	15,608,521	12,277,710	12,519,527	12,795,945
7	Allocation Percent to Suburban Water Systems	28 9%	27 8%	28 7%	30 3%	39 9%	32 7%	32 7%	32 7%	32 7%
8	Total Parent Company A&G Expenses to Suburban Water Systems	3,427,000	3,401,000	3,652,596	3,879,000	5,352,968	5,103,986	4,014,811	4,093,885	4,184,274
9	CPUC Proposed Wage Escalation Rates (10/10)	2005	2006	2007	2008	2009	2010	2011	2012	2013
10	CPUC Proposed Other Expenses Inflation Escalation Factor (10/10)	104 86%	104 82%	103 40%	105 04%	98 60%	99 70%	101 60%	101 60%	101 90%
11	CPI-U Escalation Factor (Line Item Loans, Insurance, Contracted Services, Rents) 10/10	104 86%	104 82%	103 40%	105 04%	98 60%	103 04%	101 62%	102 52%	102 70%
		101 20%	101 20%	101 20%	101 20%	101 20%	101 20%	101 20%	101 20%	101 20%

COMPUTATION OF ALLOCATION PERCENT

Line Number	Company	Direct Operating Expense Recorded 2009		End of Year Gross Plant Recorded 2009		Customer Recorded 2009		Payroll Recorded 2009		Total Percent	Average (Percent)
		Amount, \$	Percent	Amount, \$	Percent	Number	Percent	Amount, \$	Percent		
ALLOCATION FACTORS											
11	Suburban Water Systems	27,221,789	18 2%	181,567,267	41 4%	75,392	57 8%	6,361,682	13 5%	130 9%	32 7%
	<u>Texas Utilities</u>										
12	Monarch Utilities	14,144,170	9 5%	115,286,257	26 3%	27,110	20 8%	4,149,724	8 8%	65 4%	16 4%
13	Windermere	3,850,973	2 6%	43,321,714	9 9%	10,093	7 7%	371,671	0 8%	21 0%	5 3%
14	Hornsby Bend	1,172,707	0 8%	19,787,710	4 5%	3,593	2 8%	129,900	0 3%	8 4%	2 1%
15	Diamond	309,195	0 2%	2,635,182	0 6%	713	0 5%	57,649	0 1%	1 4%	0 4%
16	Water Services Inc	1,154,965	0 8%	5,798,378	1 3%	1,904	1 5%	342,687	0 7%	4 3%	1 1%
17	Huntington	27,945	0 0%	649,846	0 1%	126	0 1%	9,904	0 0%	0 2%	0 1%
18	Inverness	158,138	0 1%	1,688,352	0 4%	129	0 1%	48,431	0 1%	0 7%	0 2%
19	Midway	140,485	0 1%	1,007,688	0 2%	396	0 3%	18,565	0 0%	0 6%	0 2%
20	SW Utilities	20,225	0 0%	46,347	0 0%	42	0 0%	5,123	0 0%	0 0%	0 0%
21	Tenkiller	119,868	0 1%	1,069,188	0 2%	521	0 4%	32,902	0 1%	0 8%	0 2%
22	Metro - Continued Operations	457,952	0 3%	8,751,124	2 0%	1	0 0%	8,218	0 0%	2 3%	0 6%
	<u>Southeast Utilities</u>										
23	SW Alabama Onsite	118,155	0 1%	4,405,544	1 0%	154	0 1%	-	0 0%	1 2%	0 3%
24	Riverview Wastewater	2,940,970	2 0%	28,079,171	6 4%	4,200	3 2%	369,991	0 8%	12 4%	3 1%
25	North Shelby & Other	1,953,689	1 3%	10,558,819	2 4%	4,717	3 6%	226,572	0 5%	7 8%	2 0%
26	North County Water	87,087	0 1%	1,330,081	0 3%	197	0 2%	-	0 0%	0 6%	0 2%
27	SW Mississippi	129,878	0 1%	68,288	0 0%	669	0 5%	-	0 0%	0 6%	0 2%
28	Non-Utility	95,256,928	63 8%	12,660,996	2 9%	547	0 4%	35,011,360	74 3%	141 4%	35 4%
29	TOTAL	149,265,119	100 0%	438,711,952	100 0%	130,504	100 0%	47,144,378	100 0%	400 0%	100 0%

SUBURBAN WATER SYSTEMS
 UTILITY GROUP
 ADMINISTRATIVE AND GENERAL EXPENSES AND ALLOCATION FACTORS, DOLLARS

WORKSHEET 5-2C

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY GROUP EXPENSES										
ADMINISTRATIVE AND GENERAL EXPENSES										
1	Payroll and Benefits	791,318	960,560	1,078,568	1,029,089	938,434	415,156	389,206	408,649	418,170
2	General & Administrative Expense	152,358	151,909	203,496	165,077	155,406	109,556	42,919	43,766	44,680
3	Other Expenses	160,486	100,806	118,671	130,316	64,720	40,669	32,820	33,642	34,545
4	Total Southwest Water Company Expenses	1,104,162	1,213,275	1,400,735	1,324,482	1,158,560	565,381	464,945	486,058	497,395
5	Allocation Percent to Suburban Water Systems			62 7%	69 8%	52 7%	50 9%	50 9%	50 9%	50 9%
6	Total Utility Group Expenses to Suburban Water Systems			878,400	924,000	610,833	287,779	236,657	247,403	253,174

COMPUTATION OF ALLOCATION PERCENT

Line Number	Company	Direct Operating Expense Recorded 2009		End of Year Gross Plant Recorded 2009		Customer Recorded 2009		Payroll Recorded 2009		Total Percent	Average (Percent)
		Amount, \$	Percent	Amount, \$	Percent	Number	Percent	Amount, \$	Percent		
7	Suburban Water Systems	27,221,789	50 4%	181,567,267	42 6%	75,392	58 0%	6,361,682	52 4%	203 4%	50 9%
<u>Texas Utilities</u>											
8	Monarch Utilities	14,144,170	26 2%	115,286,257	27 1%	27,110	20 9%	4,149,724	34 2%	108 4%	27 1%
9	Windermere	3,850,973	7 1%	43,321,714	10 2%	10,093	7 8%	371,671	3 1%	28 2%	7 1%
10	Hornsby Bend	1,172,707	2 2%	19,787,710	4 6%	3,593	2 8%	129,900	1 1%	10 7%	2 7%
11	Diamond	309,195	0 6%	2,635,182	0 6%	713	0 5%	57,649	0 5%	2 2%	0 6%
12	Water Services Inc	1,154,965	2 1%	5,798,378	1 4%	1,904	1 5%	342,687	2 8%	7 8%	2 0%
13	Huntington	27,945	0 1%	649,846	0 2%	126	0 1%	9,904	0 1%	0 5%	0 1%
14	Inverness	158,138	0 3%	1,688,352	0 4%	129	0 1%	48,431	0 4%	1 2%	0 3%
15	Midway	140,485	0 3%	1,007,688	0 2%	396	0 3%	18,565	0 2%	1 0%	0 3%
16	SW Utilities	20,225	0 0%	46,347	0 0%	42	0 0%	5,123	0 0%	0 0%	0 0%
17	Tenkiller	119,868	0 2%	1,069,188	0 3%	521	0 4%	32,902	0 3%	1 2%	0 3%
18	Metro - Continued Operations	457,952	0 8%	8,751,124	2 1%	1	0 0%	8,218	0 1%	3 0%	0 8%
<u>Southeast Utilities</u>											
19	SW Alabama Onsite	118,155	0 2%	4,405,544	1 0%	154	0 1%	0	0 0%	1 3%	0 3%
20	Riverview Wastewater	2,940,970	5 4%	28,079,171	6 6%	4,200	3 2%	369,991	3 0%	18 2%	4 6%
21	North Shelby & Other	1,953,689	3 6%	10,558,819	2 5%	4,717	3 6%	226,572	1 9%	11 6%	2 9%
22	North County Water	87,087	0 2%	1,330,081	0 3%	197	0 2%	0	0 0%	0 7%	0 2%
23	SW Mississippi	129,878	0 2%	68,288	0 0%	669	0 5%	0	0 0%	0 7%	0 2%
TOTAL		54,008,191	100 0%	426,050,956	100 0%	129,957	100 0%	12,133,018	100 0%	400 0%	100 0%

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 CALCULATION OF COOPERATING RESPONDENTS' REIMBURSEMENTS, AND CAPACITY RESERVATION CHARGES

TABLE 5-3

2010 - 2013 CR REIMBURSEMENT

Line Number	DESCRIPTION	Cost/Month	CR REIMBURSEMENT/YEAR			
			2010	2011	2012	2013
1.	Purchased Water		\$12,501	\$10,037	\$8,746	\$7,762
2.	Walnut Valley Service Charge (No CR Reimbursement after 12-31-2011)	\$8,913.00	\$106,956	\$106,956	\$0	\$0
3.	Plant 140 Cost	\$5,000.00	\$60,000	\$60,000	\$60,000	\$60,000
4.	CR O&M Management Fee		\$28,942	\$29,521	\$30,111	\$30,713
5.	2% Annual Increase for CR O&M Management Fee					
	TOTAL CR REIMBURSEMENT		\$208,399	\$206,514	\$98,857	\$98,475

CALCULATION OF CAPACITY RESERVATION CHARGE

		Peak Flow for:				
		2006	2007	2008	2009	Max Peak Flow
6.	Capacity Charge*					
7.	2010 Maximum Peak Flow for Capacity Charge	13.40	18.00	9.50		18.00
8.	2011 Maximum Peak Flow for Capacity Charge		18.00	9.50	7.60	18.00

Year	Estimated Maximum CFS	Annual Capacity Reservation Charge/CFS	Charge Per Year	Charge Per Month
9. 2010	18.00	\$5,700	\$102,600	\$8,550
10. 2011 - 2013	18.00	\$5,700	\$102,600	\$8,550

* Usage is aggregate to all MWD connections used by the customer agency

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 ALTERNATIVE METHOD - OPERATING EXPENSES BASED ON SIMPLE FIVE-YEAR AVERAGE, DOLLARS

TABLE 5-4

Line Number	CPUC Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
PAYROLL EXPENSES											
1		Operation & Maintenance Payroll	2,423,794	2,438,345	2,572,198	2,758,595	2,787,618	3,340,861	3,454,551	3,687,149	3,756,238
2		Administrative and General Payroll	2,979,278	3,118,263	3,283,242	4,333,036	3,574,064	4,283,388	4,429,152	4,727,371	4,815,952
3		TOTAL PAYROLL EXPENSES	5,403,072	5,556,608	5,855,440	7,091,630	6,361,682	7,624,248	7,883,703	8,414,520	8,572,190
OPERATING EXPENSES OTHER THAN PAYROLL											
Operation & Maintenance Expenses											
4	703-704	Source of Supply Expenses	8,595,507	7,654,465	8,915,499	9,149,999	9,010,676	27,160,112	26,163,341	26,304,982	25,869,397
5	711-713	Maintenance of Wells	2,274	59,736	657	1,990	49,409	24,436	24,832	25,458	26,145
6	726	Purchased Power	2,221,927	2,716,811	3,073,570	3,274,388	3,354,452	2,990,077	2,929,149	2,907,778	2,886,898
7	721-733	Pumping Expenses	195,916	104,509	85,134	112,530	119,917	134,134	136,309	139,745	143,518
8	741-748	Water Treatment Expenses	433,566	502,200	501,873	509,564	541,789	533,439	542,081	555,742	570,748
9	751-766	Transmission & Distribution Expenses	732,650	1,359,675	1,340,277	1,410,536	1,310,336	1,312,265	1,333,523	1,367,127	1,404,040
10	771-774	Customer Account Expenses	317,591	420,353	420,322	467,616	496,473	453,279	460,623	472,231	484,982
11	775	Uncollectibles	83,051	93,274	39,853	71,659	49,313	74,047	74,205	75,107	74,820
12	783	Water Conservation	26,962	24,992	30,164	50,256	138,817	57,010	57,934	59,394	60,998
13		Capacity Reservation Charges	0	0	0	0	0	0	0	0	0
14		TOTAL OPERATION & MAINTENANCE EXPENSES	12,609,444	12,936,015	14,407,349	15,048,538	15,071,183	32,738,800	31,721,997	31,907,564	31,521,546
Administrative & General Expenses											
15	792	Office Supplies and Other Expenses	841,673	807,853	923,222	953,715	1,049,340	980,078	995,954	1,021,052	1,048,621
16	793	Property Insurance	176,954	304,053	280,489	199,209	188,386	247,204	251,209	257,539	264,493
17	794	Insurance, Injures and Damages	2,075,782	1,246,297	527,338	211,000	819,857	1,079,623	1,097,113	1,124,761	1,155,129
18	795	Employees' Pensions & Benefits	775,838	884,285	759,241	984,820	1,106,990	964,918	980,551	1,005,261	1,032,403
19	796	Franchise Requirements	577,561	615,436	625,335	660,503	601,149	687,581	700,135	697,420	694,760
20	797	Regulatory Commission Expenses	30,968	32,385	112,065	248,006	55,006	99,959	101,578	104,138	106,950
21	797	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
22	798	Outside Services Employed	285,528	488,965	269,988	172,084	561,423	382,252	388,445	398,233	408,985
23	799	Miscellaneous General Expenses	99,587	94,813	87,533	107,644	103,897	105,929	107,645	110,358	113,338
24	805	Maintenance of General Plant	304,558	283,203	277,459	97,141	105,056	233,563	237,346	243,328	249,899
25	811-906	Miscellaneous Expenses	263,636	386,807	148,152	458,179	442,328	362,228	368,095	377,371	387,561
26	901	Parent Company & Utility Group Allocation	3,427,000	3,401,000	3,652,596	3,879,000	5,352,968	4,214,272	4,282,543	4,390,463	4,509,006
27		TOTAL ADMINISTRATIVE & GENERAL EXPENSES	9,499,533	9,219,595	8,419,970	8,743,673	11,191,206	10,150,636	10,318,120	10,534,298	\$10,772,449
28		TOTAL O&M AND A&G EXPENSES	22,108,977	22,155,610	22,827,319	23,792,211	26,262,389	42,889,436	42,040,117	42,441,862	42,293,995
29		TOTAL OPERATING EXPENSES BASED ON SIMPLE FIVE-YEAR AVERAGE	27,512,049	27,712,218	28,682,759	30,883,842	32,624,070	50,513,684	49,923,820	50,856,382	50,866,185

6 Chapter - Utility Plant

Presented in this chapter are utility plant balances for recorded years 2005 through 2009, for adjusted year 2010 and for estimated years ending December 31, 2012 and 2013. Also included are utility plant budgets for estimated years ending December 31, 2012 and 2013.

6.1 Comparison of Company Funded Capital Expenditures Authorized In Last GRC To Amounts Actually Spent

In response to Master Data Request item II A. 1, we have provided information comparing Suburban's recorded company funded capital expenditures as compared to the amounts authorized for each of the years 2007, 2008 and 2009. Suburban recorded expenditures exceeded the levels authorized by \$411,840.

	Authorized	Recorded
2007	\$10,210,000	\$11,446,303
2008	\$8,774,239	\$9,918,854
2009	\$9,010,897	\$7,041,819
Total	\$27,995,136	\$28,406,976

6.2 Utility Plant Capital Budget, Estimated Years Ending December 31, 2012 and 2013

Shown in Table 6-1 are the Company's proposed utility plant capital expenditure budgets for estimated years December 31, 2012 and 2013. The budget for new business capital additions is consistent with customer growth projections as presented in Chapter 4 of this exhibit. These proposed capital additions shown in Table 6-2 are believed to be consistent with requirements to maintain the physical integrity of the water system to enable the Company to continue to provide a satisfactory level of water service.

Utility Plant Balances, Estimated Years Ending December 31, 2012 and 2013

Balances for years ending December 31, 2012 and 2013 are shown in Tables 6-2 through 6-7. Utility plant balances by account for end of year 2010 are based on recorded end of year 2009 balances, which were increased by budgeted capital additions for 2010 from Table 6-1 and reduced by estimated normal retirements. Balances for end of years ending December 31, 2012 and 2013 were computed in the same manner, assuming capital expenditures in the years 2011, 2012 and 2013 will be installed evenly throughout each of the years. Total utility plant for rate base was computed as the average of the beginning and end of test year plant balances as shown in Table 6-7. Two large projects, Plant 224 Reservoir Replacement and Plant 408 Reservoir Replacement,

are multi-year projects. Due to these projects extending into the attrition year 2014, the testimony of Craig Gott the Company's Vice President of Engineering, discusses 2014 projects in detail.

Alternative Methodology

We have provided calculations of utility plant in service based on alternative methodology described in the Interim Order (Table 6-8).

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
CAPITAL EXPENDITURES, DOLLARS

TABLE 6-1

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1.	C.W.I.P. Balance, Beginning of Year	6,249,718	5,063,051	4,579,026	12,249,907	10,500,313	742,467	0	0	8,536,548
2.	Average C W I P for Rate Base	5,656,385	4,821,039	8,414,467	11,375,110	5,621,390	371,234	0	4,268,274	6,406,373
3	2014 C W I.P. Balance, Beginning of Year	4,276,197								
	<u>CONSTRUCTION EXPENDITURES</u>									
	<u>Company Funded Construction Projects</u>									
4	Miscellaneous - Transmission and Distribution Mains	105,844	268,216							
5.	Plant Improvements (various locations)	106,870	98,753	57,988	65,759	196,502				
6.	Construct New Central Basin Well - Plant 409 W-3	1,400,000								
7.	Plant 201 W-7 well	1,400,780								
8.	Plant 201 W-8 Well		1,471,084							
9.	Pump Replacements at Plants 162 & 506	113,319	51,701							
10	Plant 129 replace pump station	1,748,176	473,530							
11	Pump Replacements at Various Locations	99,615	185,360	148,151	164,958	389,364				
12	Plant 217- replace pump station		88,382							
13	Plant 238 R-1 - paint & coat (3 MG)		555,409							
14	Plant 167 R-1 - paint and coat with piping & site work (1.5 MG)	4,341								
15	Construct 4,000 LF of 24" DIP in Lark Ellen & Fairgrove	1,359,422	337,207							
16	Construct Connection with City of Fullerton	6,356	78,579							
17	Miscellaneous Pipeline Replacements	116,478	191,923	398,578	136,045	208,513				
18	San Jose Hills RASF Complete Block Wall and Gates	17,071								
19	Whittier La Mirada New Office Tenant Improvements	24,623	160,059							
20	Recycled Water System		122,285							
21.	Plant 507 Curb Replacement		24,956							
22	Recycled Water Pump Station - West Covina Golf Course		11,971							
23	Recycled Water Pump Station - (900 RW Zone)		11,099							
24	2.0 MG Recycled Water Reservoir		20,738							
25	Sunset Pipeline		1,847,206							
26	Emergency Pipeline Replacement on Mentz		79,813							
27	Emergency Pipeline Replacement in Shadow Oak Park		24,783							
28	SWS Sportsplex Piping		74,393							
29	Emergency Valve on Low Head Pipe at California and Fairgrove		18,952							
30	Plant 201 W-10 Earth Mound			799,690						
31	Plant 201 W-9 Well		2,287	1,965,269						
32	Plant 217- Replace Pump Station			2,142,301						
33	Install New Natural Gas Engine at Plant 216			339,447						
34	QA Treatment Improvements			10,716	2,799	75,055				
35	QA Project - Plant 118 Amonia Injection			89,400						
36	QA Project - Plant 409 New Tank for Coagulant Injection			97,271						
37	QA Project - Plant 129 Amonia Injection			146,978						
38	Vault Replacements			36,836	31,735	12,963				
39	Governmental Projects			127,643	20,974	12,220				
40	Valve Replacements			192,534	178,055	297,162				
41	Install SWS Share of 20-inch DIP in BLD Access Road			81,631						
42	Connection to WVWD for Water Dunning Pit 505 Coating			354,634						
43	Install 1,000 LF of 6" & 1,700 LF of 8" PVC in Gara, Ashgrove, Oakbury, San Feliciano, Barwood, Dalmation & Cre			790,215						
44	Install 3,030 LF of 8" PVC in Willow, Bromley & Leland			672,347						
45.	Install 3,400 LF of 8" PVC in Danes, Pioneer, Butterfield, Leaf & Homerest			904,799						
46	Security Upgrades			221,273	172,982	214,167				
47	Stage Road Property Site Improvements			233,459						
48	Install Steel Fence Around Plant 129			96,524						
49	Main Office Improvements			30,406						
50	Plant 110 - Replace Pump Station				1,920,869	501,396				
51	Plant 147 W-2 - New Pump, Motor and VFD				54,447					

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
CAPITAL EXPENDITURES, DOLLARS

TABLE 6-1A

Line Number	P U C Account Numbers	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Company Funded Construction Projects (Continued)</u>											
1		Plant 236 R-1 - Paint & Coat With Piping and Site Work (2 MG)				1,109,416					
2		Plant 505 R-1 - Paint & Coat With Piping Work (7MG)				1,559,596					
3		Replace Grey Plastic Pipes				452,098	248,862				
4		Replace MWD Vaults in La Mirada Blvd				975,925					
5		Plant 410 Chemical Storage Building				131,330					
6		Equip Plant 201 W-10				1,366,706					
7		Plant 119 - Replace Pump Station					198,537				
8		Install 2,000 LF of 16" DIP in Grand Ave from Gladstone to Armstead Ave (850 Zone)					1,290,808				
9		Plant 201 W-7 and W-8 VFD's			120,063						
10		Plant 505 Mixer			29,286						
11		SJH - AMR Meter Project				359,535					
12		Shadybend and Olympus				33,000					
13		Laurel Ave Pipeline Replacement					273,301				
14		California and Mar Vista Pipeline Replacement					150,747				
15		La Calma Pipeline Replacement					137,677				
16		Washington Pipeline Replacement					128,854				
17		Plant 216 Bypass Valve					162,035				
18		La Habra Emergency Tie-In					49,686				
19		Firestone Channel Crossing Replacement					24,095				
20		Hollencrest Pipeline (880 Zone)					985,761				
21	324	Plant 205 Pump Station Replacement						1,521,038			
22	324	Plant 119 R-1 - Pump Station Replacement						1,378,121			
23	324	Plant 121 B-3 Electric Conversion						383,453			
24	342	Plant 167 Reservoir Recoating						604,115			
25	343	Valley View Phase 1&3 - Pipeline						986,587			
26	343	Ocean View Pipeline						275,770			
27	343	Glendora Ave Pipeline (Plant 119 Discharge)						149,077			
28	343	James - Pipeline						151,238			
29	343	Firestone Channel Crossing Replacement						155,027			
30	343	Punta De Este - Valve Station						73,871			
31	343	Abascal & Bolar - Valve Station						53,087			
32	343	Orchard Dale - Valve Station						80,000			
33	343	Richard Graves Middle School Pipeline						55,112			
34	324	Plant 201 W-9 - Install electrical motor/ gas engine combination drive							298,000		
35	342	Construct new Reservoir at Plant 119							1,448,000		
36	342	Re-coat 5 MG Plant 129							1,037,000		
37	343	Hidden Valley - 880 Zone Reliability Improvement							708,000		
38	343	La Mirada and Santa Gertrudes - Install 500 L F of 12-inch PVC							128,000		
39	343	690 Zone Reliability Improvement Project							104,000		
40	343	Coyote Creek Crossing Artesia - Channel crossing on Artesia in 265 zone							285,000		
41	343	Plant 409 Reservoir Inlet Pipe - Construct inlet from well discharge into reservoir							119,000		
42	342	Recoat Plant 503 Reservoir								1,338,000	
43	343	I-5 Freeway Crossing Extensions - Extend 2 Crossings								352,000	
44	343	Reis And Painter Channel Crossing - Replace 8-inch Channel Crossing Over Sorensen								192,000	
45	343	620 Pressure Zone Fire Protection - Install 3,400L F of Pvc Pipe								697,000	
46	343	Acapulco from Calmada to Greening - Replace 3,800 L F of AC pipe with PVC								1,084,000	

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 CAPITAL EXPENDITURES, DOLLARS

TABLE 6-1B

Line Number	P U C Account Numbers	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Company Funded Construction Projects (Continued)</u>											
1	343	Valley View Grade Separation Pipeline - Grade Separation Pipeline									335,000
2	343	Sorensen Pipelines - remove 2-inch line install 6-inch 135L F									46,000
3	343	Shouse Street - Remove and Replace 2-inch galvanized steel main									89,000
4	343	Calmada and Lambert Railroad Cross - Replace 8-inch railroad crossing									207,000
5	343	Puente Ave Pipeline - Covina Knolls zone improvement									368,000
6	343	Granada pipeline - Replace existing 4-inch steel main									332,000
7	343	Firebird - Replace 1,900 L F of AC pipe with PVC									505,000
8	343	Plant 501 - Rehabilitate MWD vault and valves									366,000
9	343	Ahman, Rufus and Mystic - Install 1,350 L F of 8-inch PVC and 89 services (backyard mains)									750,000
10	343	Milvern & Mollyknoll pipeline - Replace existing 8-inch AC main									575,000
11	315	Drill Well in Central Basin									2,168,000
12	342	Plant 224 Reservoir Replacement Project									6,368,548
13	342	Plant 408 Reservoir Replacement Project									4,276,197
14	343	Replace 12-inch Pipeline and Construct tie-in with City of Covina									895,000
15	343	Rutland, Lanett and Close - Replace 3,600 L F of AC pipe with PVC									965,000
16	343	Anola, Walthall and Racimo - Install 3,300 L F of 8-inch PVC and 90 services									944,000
17	324	Pump Replacements at Various Locations							123,423	300,000	300,000
18	332	QA Treatment Improvements							20,000	30,000	80,000
19	343	Air Release Valve Replacements								20,000	20,000
20	343	Blow-off Replacements			26,406	15,055	40,295		50,000	50,000	50,000
21	343	Governmental Projects							362,427	75,000	50,000
22	343	Misc Pipeline Replacements							159,015	210,000	215,000
23	343	Valve Replacements							150,000	150,000	155,000
24	343	Vault Replacements							50,000	40,000	55,000
25	371	Plant Improvements							189,403	200,000	200,000
26	371	Plant Paving Project								42,000	42,000
27	371	Security Upgrades							200,000	200,000	220,000
28	381	GIS and Model System Upgrades							35,000	50,000	30,000
29		Total Company Expenditures Construction Projects	6,502,895	6,198,686	10,113,845	8,751,284	5,598,000	7,205,764	5,494,000	17,184,548	17,279,077
<u>New Business Construction Projects</u>											
32	343	New Business - Transmission and Distribution Mains							100,000	100,000	100,000
33	345	New Business - Services							30,000	30,000	30,000
34		Total Expenditures Construction Projects	6,502,895	6,198,686	10,113,845	8,751,284	5,598,000	7,335,764	5,624,000	17,314,548	17,409,077
<u>DIRECT PURCHASES</u>											
35	345	Services	329,103	415,267	560,703	652,703	779,893	955,819	650,000	800,000	815,000
36	346	Meters, Replacements	340,035	351,647	366,212	321,564	378,197	448,944	485,000	485,000	490,000
37	347	Meters, Installations						120,056	95,000	95,000	95,000
38	348	Hydrants	33,184	148,185	111,053	85,434	105,258	100,000	100,000	110,000	130,000
39	372	Office Furniture and Equip (excl personal computers)	166,223	129,708	21,627	19,281	111,352	181,317	30,000	30,000	30,000
40	372	Personal Computers (Hardware & Software)	96,611	203,124	204,047	9,549	46,961	95,000	80,000	80,000	80,000
41	373	Transportation Equipment									
42	376	Communication Equipment	12,838	38,199	38,372	38,588	11,763	30,000	40,000	40,000	40,000
43	377	Power Operated Equipment									
44	378	Tools, Shop and Garage Equipment	19,432	13,215	30,444	40,451	10,395	70,000	20,000	20,000	144,000
45		Total Direct Purchases	997,426	1,299,345	1,332,458	1,167,570	1,443,819	2,001,136	1,500,000	1,660,000	1,824,000
46		Total Company Funded Expenditures	7,500,321	7,498,031	11,446,303	9,918,854	7,041,819	9,206,900	6,994,000	18,844,548	19,103,077

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
UTILITY PLANT CAPITAL ADDITIONS, ESTIMATED YEARS 2010 - 2013, DOLLARS

TABLE 6-2A

Line Number	Description	P U C Account #	Tax Life	Estimated 2010	Estimated 2011	Estimated 2012	Estimated 2013
COMPANY FUNDED ADDITIONS							
1	Plant 205 Pump Station Replacement	324	25 Yr	1,521,038			
2	Plant 119 R-1 - Pump Station Replacement	324	25 Yr	1,378,121			
3	Plant 121 B-3 Electric Conversion	324	25 Yr	383,453			
4	Plant 167 Reservoir Recoating	342	25 Yr	604,115			
5	Valley View Phase 1&3 - Pipeline	343	25 Yr	986,587			
6	Ocean View Pipeline	343	25 Yr	275,770			
7	Glendora Ave Pipeline (Plant 119 Discharge)	343	25 Yr	149,077			
8	James - Pipeline	343	25 Yr	151,238			
9	Firestone Channel Crossing Replacement	343	25 Yr	155,027			
10	Punta De Este - Valve Station	343	25 Yr	73,871			
11	Abascal & Bolar - Valve Station	343	25 Yr	53,087			
12	Orchard Dale - Valve Station	343	25 Yr	80,000			
13	Richard Graves Middle School Pipeline	343	25 Yr	55,112			
14	Plant 201 W-9 - Install electrical motor/ gas engine combination drive	324	25 Yr		298,000		
15	Construct new Reservoir at Plant 119	342	25 Yr		1,448,000		
16	Re-coat 5 MG Plant 129	342	25 Yr		1,037,000		
17	Hidden Valley - 880 Zone Reliability Improvement	343	25 Yr		708,000		
18	La Mirada and Santa Gertrudes - Install 500 L F of 12-inch PVC	343	25 Yr		128,000		
19	690 Zone Reliability Improvement Project	343	25 Yr		104,000		
20	Coyote Creek Crossing Artesia - Channel crossing on artesia in 265 zo	343	25 Yr		285,000		
21	Plant 409 Reservoir Inlet Pipe - Construct inlet from well discharge into	343	25 Yr		119,000		
22	Recoat Plant 503 Reservoir	342	25 Yr			1,338,000	
23	I-5 Freeway Crossing Extensions - Extend 2 Crossings	343	25 Yr			352,000	
24	Reis And Painter Channel Crossing - Replace 8-Inch Channel Crossing	343	25 Yr			192,000	
25	620 Pressure Zone Fire Protection - Install 3,400L F of Pvc Pipe	343	25 Yr			697,000	
26	Acapulco from Calmada to Greening - Replace 3,800 L F of AC pipe w	343	25 Yr			1,084,000	
27	Valley View Grade Separation Pipeline - Grade Separation Pipeline	343	25 Yr			335,000	
28	Sorensen Pipelines - remove 2-inch line install 6-inch 135L F	343	25 Yr			46,000	
29	Shouse Street - Remove and Replace 2-inch galvanized steel main	343	25 Yr			89,000	
30	Calmada and Lambert Railroad Cross - Replace 8-inch railroad crossir	343	25 Yr			207,000	
31	Puente Ave Pipeline - Covina Knolls zone improvement	343	25 Yr			368,000	
32	Granada pipeline - Replace existing 4-inch steel main	343	25 Yr			332,000	
33	Firebird - Replace 1,900 L F of AC pipe with PVC	343	25 Yr			505,000	
34	Plant 501 - Rehabilitate MWD vault and valves	343	25 Yr			366,000	
35	Ahman, Rufus and Mystic - Install 1,350 L F of 8-inch PVC and 89 ser	343	25 Yr			750,000	
36	Milvern & Mollyknoll pipeline - Replace existing 8-inch AC main	343	25 Yr			575,000	
37	Drill Well in Central Basin	315	25 Yr				3,218,000
38	Plant 224 Reservoir Replacement Project	342	25 Yr				14,120,428
39	Plant 408 Reservoir Replacement Project	342	25 Yr				0
40	Replace 12-inch Pipeline and Construct tie-in with City of Covina	343	25 Yr				895,000
41	Rutland, Lanett and Close - Replace 3,600 L F of AC pipe with PVC	343	25 Yr				965,000
42	Anola, Walthall and Racimo - Install 3,300 L F of 8-inch PVC and 90 s	343	25 Yr				944,000
43	Pump Replacements	324	25 Yr	123,423	300,000	300,000	300,000
44.	QA Treatment Improvements	332	25 Yr	20,000	30,000	80,000	30,000
45	Air Release Valve Replacements	343	25 Yr	0	20,000	20,000	20,000
46	Blow-off Replacements	343	25 Yr	50,000	50,000	50,000	50,000
47	Governmental Projects	343	25 Yr	362,427	75,000	50,000	50,000
48	Misc Pipeline Replacements	343	25 Yr	159,015	210,000	215,000	220,000
49	Valve Replacements	343	25 Yr	150,000	150,000	155,000	215,000
50	Vault Replacements	343	25 Yr	50,000	40,000	50,000	55,000
51	Plant Improvements	371	25 Yr	189,403	200,000	200,000	200,000
52	Plant Paving Project	371	25 Yr	0	42,000	42,000	42,000

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
UTILITY PLANT CAPITAL ADDITIONS, ESTIMATED YEARS 2010 - 2013, DOLLARS (Continued)

TABLE 6-2B

Line Number	Description	P U C Account #	Tax Life	Estimated 2010	Estimated 2011	Estimated 2012	Estimated 2013
<u>COMPANY FUNDED ADDITIONS (Continued)</u>							
1	Security Upgrades	371	25 Yr	200,000	200,000	220,000	185,000
2	GIS and Model System Upgrades	381	5 Yr	35,000	50,000	30,000	30,000
3	TOTAL COMPANY FUNDED ADDITIONS			7,205,764	5,494,000	8,648,000	21,539,428
<u>NEW BUSINESS ADDITIONS</u>							
4	Transmission and Distribution Mains	343	25 Yr	100,000	100,000	100,000	100,000
5	Services	345	25 Yr	30,000	30,000	30,000	30,000
6	TOTAL NEW BUSINESS ADDITIONS			130,000	130,000	130,000	130,000
<u>DIRECT PURCHASES</u>							
7	Services	345	25 Yr	955,819	650,000	800,000	815,000
8	Meters, Replacements	346	5 Yr	448,944	485,000	485,000	490,000
9	Meters, Installations	347	5 Yr	120,056	95,000	95,000	95,000
10	Hydrants	348	25 Yr	100,000	100,000	110,000	130,000
11	Office Furniture and Equip (excl personal computers)	372	7 Yr	181,317	30,000	30,000	30,000
12	Personal Computers (Hardware & Software)	372	5 Yr	95,000	80,000	80,000	80,000
13	Communication Equipment, DAMP System Improvements	376	5 Yr	30,000	40,000	40,000	40,000
14	Tools, Shop and Garage Equipment	378	5 Yr	70,000	20,000	20,000	144,000
15	TOTAL OTHER PLANT REPLACEMENTS AND IMPROVEMENTS			2,001,136	1,500,000	1,660,000	1,824,000
16	TOTAL CAPITAL ADDITIONS			9,336,900	7,124,000	10,438,000	23,493,428
<u>SUMMARY BY TAX LIFE</u>							
17	Five Year Tax Life		5 Yr	799,000	770,000	750,000	879,000
18	Seven Year Tax Life		7 Yr	181,317	30,000	30,000	30,000
19	Twenty Year Tax Life		25 Yr	8,356,583	6,324,000	9,658,000	22,584,428
20	TOTAL CAPITAL ADDITIONS			9,336,900	7,124,000	10,438,000	23,493,428
21	Cost of Removal	315	N/A	1,260,000	880,000	1,393,000	1,410,000
22	TOTAL CAPITAL ADDITIONS AND COST OF REMOVAL			10,596,900	8,004,000	11,831,000	24,903,428
<u>SOURCE OF FUNDS FOR NEW BUSINESS ADDITIONS</u>							
23	Advances for Construction			80,000	80,000	80,000	80,000
24	Contributions in Aid of Construction			50,000	50,000	50,000	50,000
25	TOTAL NEW BUSINESS FUNDS			130,000	130,000	130,000	130,000
26	TOTAL COMPANY FUNDED CAPITAL ADDITIONS			9,206,900	6,994,000	10,308,000	23,363,428

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
UTILITY PLANT IN SERVICE - BEGINNING OF YEAR, DOLLARS

TABLE 6-3

Line Number	P U C Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY PLANT IN SERVICE - BEGINNING OF YEAR											
I. INTANGIBLE PLANT											
1	301	Organization	24,997	24,997	24,997	115,858	115,858	115,858	115,858	115,858	115,858
2	302	Franchises and Consents	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040
3	303	Other Intangible Plant	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421
II. LANDED CAPITAL											
4	306	Land and Land Rights	856,568	997,457	989,558	989,558	993,175	993,175	993,175	993,175	993,175
III. SOURCE OF SUPPLY PLANT											
5	315	Wells	4,154,435	5,728,680	5,724,661	6,994,768	8,868,594	9,617,992	9,617,992	9,617,992	9,617,992
6	316	Supply Mains	6,430,939	6,430,939	6,918,284	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950
7	317	Other Source of Supply Plant	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824
IV. PUMPING PLANT											
8	321	Structures and Improvements	2,390,344	3,476,383	4,503,660	4,524,314	4,787,504	6,350,301	6,350,301	6,350,301	6,350,301
9	324	Pumping Equipment	8,907,148	9,213,464	9,411,518	9,603,051	10,399,721	13,755,869	16,957,542	17,519,662	17,801,662
10	325	Other Pumping Plant	33,866	33,866	33,866	33,866	268,630	268,630	268,630	268,630	268,630
V. WATER TREATMENT PLANT											
11	331	Structures and Improvements	27,001	421,979	421,979	844,489	1,077,078	1,152,709	1,152,709	1,152,709	1,152,709
12	332	Water Treatment Equipment	3,066,104	3,066,104	3,066,104	3,137,911	3,318,343	3,414,859	3,433,659	3,461,859	3,537,059
VI. TRANSMISSION AND DISTRIBUTION PLANT											
13	341	Structures and Improvements	207,387	405,136	405,136	405,136	405,136	405,136	405,136	405,136	405,136
14	342	Reservoirs and Tanks	11,035,147	15,223,580	16,068,852	16,068,852	17,216,057	17,964,670	18,532,538	20,868,438	22,126,158
15	343	Transmission and Distribution Mains	57,555,676	60,448,840	62,975,777	67,255,757	70,788,784	77,538,811	80,218,949	82,088,609	88,234,329
16	345	Services	13,985,821	14,858,739	15,460,759	16,067,688	17,703,818	19,016,834	19,943,504	20,582,704	21,362,904
17	346	Meters	3,493,134	3,554,243	3,703,616	4,007,469	4,444,117	4,587,765	5,009,772	5,465,672	5,921,572
18	347	Meter Installations						62,973	175,826	265,126	354,426
19	348	Hydrants	5,331,807	5,462,497	5,618,967	6,039,616	6,351,549	6,710,302	6,804,302	6,898,302	7,001,702
VII. GENERAL PLANT											
20	371	Structures and Improvements	1,566,725	1,610,471	1,917,409	2,198,561	3,067,440	4,726,516	5,092,555	5,508,035	5,942,315
21	371-1	Leased Property Improvements	99,356	188,076	188,076	334,944	382,075	382,075	382,075	382,075	382,075
22	372-0	Office Furniture	309,119	303,718	305,504	307,218	329,797	335,517	335,517	335,517	335,517
23	372-1	Office Equipment	382,194	358,397	364,113	372,199	376,318	375,204	545,642	573,842	602,042
24	372-2	Computer Equipment	1,185,293	1,266,371	1,307,722	764,947	736,476	753,909	843,209	918,409	993,609
25	373	Transportation Equipment	20,964	17,681	17,681	17,681	47,478	47,478	47,478	47,478	47,478
26	374	Stores Equipment	0	0	0	0	0	0	0	0	0
27	375	Laboratory Equipment	0	0	0	0	0	0	0	0	0
28	376	Communication Equipment	2,026,528	2,328,012	2,347,937	2,430,357	2,539,941	2,613,119	2,641,319	2,678,919	2,716,519
29	377	Power Operated Equipment	76,800	76,800	76,800	71,852	71,852	71,852	71,852	71,852	71,852
30	378	Tools, Shop and Garage Equipment	224,076	249,535	268,875	255,952	299,280	312,321	378,121	396,921	415,721
31	379	Other General Plant	0	0	0	0	0	0	0	0	0
32	380	Automobiles	0	0	0	0	0	0	0	0	0
33	381	GIS Mapping Facilities	1,027,323	1,271,976	1,271,976	1,420,998	1,576,156	1,576,156	1,609,056	1,656,056	1,684,256
VIII. UNDISTRIBUTED ITEMS											
34	390	Other Tangible Property	4,380,594	212,856	4,445,422	0	0	0	0	0	0
35	TOTAL UTILITY PLANT IN SERVICE, BEGINNING OF YEAR		130,082,629	138,514,082	149,122,535	152,680,278	164,582,414	181,567,267	190,343,953	197,040,513	206,852,233
36	DEPRECIABLE UTILITY PLANT IN SERVICE, BEG OF YEAR		128,247,604	136,538,168	147,154,519	150,621,401	162,519,921	179,504,773	188,281,459	194,978,019	204,789,739

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
UTILITY PLANT ADDITIONS, DOLLARS

TABLE 6-4

Line Number	P U C Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY PLANT ADDITIONS DURING YEAR											
I. INTANGIBLE PLANT											
1	301	Organization	0	0	0	0	0	0	0	0	0
2	302	Franchises and Consents	0	0	0	0	0	0	0	0	0
3	303	Other Intangible Plant	0	0	0	0	0	0	0	0	0
II. LANDED CAPITAL											
4	306	Land and Land Rights	140,889	0	0	3,617	0	0	0	0	0
III. SOURCE OF SUPPLY PLANT											
5	311	Structures and Improvements	0	0	0	0	0	0	0	0	0
6	312	Collecting and Impounding Reservoirs	0	0	0	0	0	0	0	0	0
7	313	Lake, River and Other Intakes	0	0	0	0	0	0	0	0	0
8	314	Springs and Tunnels	0	0	0	0	0	0	0	0	0
9	315	Wells	2,419,311	11,267	1,270,107	1,930,482	749,398	0	0	0	3,218,000
10	316	Supply Mains	0	487,345	215,666	0	0	0	0	0	0
11	317	Other Source of Supply Plant	0	0	0	0	0	0	0	0	0
IV. PUMPING PLANT											
12	321	Structures and Improvements	1,092,395	1,028,538	25,584	263,190	1,569,939	0	0	0	0
13	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0
14	323	Other Power Production Equipment	0	0	0	0	0	0	0	0	0
15	324	Pumping Equipment	306,316	249,321	256,265	823,299	3,524,236	3,406,035	598,000	300,000	300,000
16	325	Other Pumping Plant	0	0	0	234,764	0	0	0	0	0
V. WATER TREATMENT PLANT											
17	331	Structures and Improvements	394,978	0	422,510	232,589	75,631	0	0	0	0
18	332	Water Treatment Equipment	0	0	71,806	180,433	96,516	20,000	30,000	80,000	30,000
VI. TRANSMISSION AND DISTRIBUTION PLANT											
19	341	Structures and Improvements	197,750	0	0	0	0	0	0	0	0
20	342	Reservoirs and Tanks	4,320,627	916,925	0	1,147,205	773,526	604,115	2,485,000	1,338,000	14,120,428
21	343	Transmission and Distribution Mains	2,964,973	2,513,532	4,846,587	3,584,003	7,113,608	2,851,211	1,989,000	6,538,000	3,514,000
22	344	Fire Mains	0	0	0	0	0	0	0	0	0
23	345	Services	907,665	626,846	1,039,328	1,706,971	1,410,132	985,819	680,000	830,000	845,000
24	346	Meters	340,072	356,627	467,014	677,407	399,317	448,944	485,000	485,000	490,000
25	347	Meter Installations	0	0	0	0	62,973	120,056	95,000	95,000	95,000
26	348	Hydrants	135,829	163,544	439,516	324,491	366,611	100,000	100,000	110,000	130,000
27	349	Other Transmission and Distribution Plant	0	0	0	0	0	0	0	0	0
VII. GENERAL PLANT											
28	371	Structures and Improvements	53,826	323,246	646,149	868,879	1,659,076	389,403	442,000	462,000	427,000
29	371-1	Leased Property Improvements	88,720	0	195,024	47,131	0	0	0	0	0
30	372-0	Office Furniture	7,459	1,786	7,011	22,579	5,720	0	0	0	0
31	372-1	Office Equipment	66,381	5,716	10,061	4,403	0	181,317	30,000	30,000	30,000
32	372-2	Computer Equipment	126,249	41,801	46,139	30,296	46,961	95,000	80,000	80,000	80,000
33	373	Transportation Equipment	0	0	0	29,797	0	0	0	0	0
34	374	Stores Equipment	0	0	0	0	0	0	0	0	0
35	375	Laboratory Equipment	0	0	0	0	0	0	0	0	0
36	376	Communication Equipment	301,485	19,925	89,621	109,584	254,446	30,000	40,000	40,000	40,000
37	377	Power Operated Equipment	0	0	0	0	0	0	0	0	0
38	378	Tools, Shop and Garage Equipment	25,459	19,340	12,993	43,329	13,040	70,000	20,000	20,000	144,000
39	379	Other General Plant	0	0	0	0	0	0	0	0	0
40	380	Automobiles	0	0	0	0	0	0	0	0	0
41	381	GIS Mapping Facilities	244,653	0	149,022	155,158	0	35,000	50,000	30,000	30,000
VIII. UNDISTRIBUTED ITEMS											
42	390	Other Tangible Property	(4,167,738)	4,232,567	(4,445,422)	0	0	0	0	0	0
43		TOTAL UTILITY PLANT ADDITIONS DURING YEAR	9,967,301	10,998,325	5,764,979	12,419,607	18,121,129	9,336,900	7,124,000	10,438,000	23,493,428

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 UTILITY PLANT RETIREMENTS, DOLLARS

TABLE 6-5

Line Number	P U C Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY PLANT RETIREMENTS DURING YEAR											
I. INTANGIBLE PLANT											
1	301	Organization						0	0	0	0
2	302	Franchises and Consents						0	0	0	0
3	303	Other Intangible Plant						0	0	0	0
II. LANDED CAPITAL											
4	306	Land and Land Rights		7,899				0	0	0	0
III. SOURCE OF SUPPLY PLANT											
5	311	Structures and Improvements						0	0	0	0
6	312	Collecting and Impounding Reservoirs						0	0	0	0
7	313	Lake, River and Other Intakes						0	0	0	0
8	314	Sprngs and Tunnels						0	0	0	0
9	315	Wells	845,067	15,285		56,656		0	0	0	193,080
10	316	Supply Mains						0	0	0	0
11	317	Other Source of Supply Plant						0	0	0	0
IV. PUMPING PLANT											
12	321	Structures and Improvements	6,356	1,262	4,930		7,142	0	0	0	0
13	322	Boiler Plant Equipment						0	0	0	0
14	323	Other Power Production Equipment						0	0	0	0
15	324	Pumping Equipment		51,267	64,732	26,629	168,088	204,362	35,880	18,000	18,000
16	325	Other Pumping Plant						0	0	0	0
V. WATER TREATMENT PLANT											
17	331	Structures and Improvements						0	0	0	0
18	332	Water Treatment Equipment						1,200	1,800	4,800	1,800
VI. TRANSMISSION AND DISTRIBUTION PLANT											
19	341	Structures and Improvements						0	0	0	0
20	342	Reservoirs and Tanks	132,194	71,653			24,913	36,247	149,100	80,280	847,226
21	343	Transmission and Distribution Mains	71,809	(13,404)	566,606	50,976	363,580	171,073	119,340	392,280	210,840
22	344	Fire Mains						0	0	0	0
23	345	Services	34,747	24,826	432,399	70,841	97,116	59,149	40,800	49,800	50,700
24	346	Meters	278,963	207,253	163,161	240,759	255,669	26,937	29,100	29,100	29,400
25	347	Meter Installations						7,203	5,700	5,700	5,700
26	348	Hydrants	5,139	7,074	18,866	12,558	7,858	6,000	6,000	6,600	7,800
27	349	Other Transmission and Distribution Plant						0	0	0	0
VII. GENERAL PLANT											
28	371	Structures and Improvements	10,081	16,307	413,152			23,364	26,520	27,720	25,620
29	371-1	Leased Property Improvements						0	0	0	0
30	372-0	Office Furniture	12,860	0	5,296	0	0	0	0	0	0
31	372-1	Office Equipment	90,178	0	1,975	284	1,114	10,879	1,800	1,800	1,800
32	372-2	Computer Equipment	45,171	450	588,914	58,767	29,528	5,700	4,800	4,800	4,800
33	373	Transportation Equipment	3,283					0	0	0	0
34	374	Stores Equipment						0	0	0	0
35	375	Laboratory Equipment						0	0	0	0
36	376	Communication Equipment			7,202		181,268	1,800	2,400	2,400	2,400
37	377	Power Operated Equipment			4,948			0	0	0	0
38	378	Tools, Shop and Garage Equipment			25,916			4,200	1,200	1,200	8,640
39	379	Other General Plant						0	0	0	0
40	380	Automobiles						0	0	0	0
41	381	GIS Mapping Facilities						2,100	3,000	1,800	1,800
VIII. UNDISTRIBUTED ITEMS											
42	390	Other Tangible Property									
43	TOTAL UTILITY PLANT RETIREMENTS DURING YEAR		1,535,848	389,871	2,298,097	517,470	1,136,277	560,214	427,440	626,280	1,409,606
44	Retirements as Percent of Additions		15%	4%	40%	4%	6%	6%	6%	6%	6%

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
UTILITY PLANT IN SERVICE - END OF YEAR, DOLLARS

TABLE 6-6

Line Number	P U C Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY PLANT IN SERVICE - END OF YEAR											
I. INTANGIBLE PLANT											
1	301	Organization	24,997	24,997	24,997	115,858	115,858	115,858	115,858	115,858	115,858
2	302	Franchises and Consents	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040
3	303	Other Intangible Plant	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421
II. LANDED CAPITAL											
4	306	Land and Land Rights	997,457	989,558	989,558	993,175	993,175	993,175	993,175	993,175	993,175
III. SOURCE OF SUPPLY PLANT											
5	315	Wells	5,728,680	5,724,661	6,994,768	8,868,594	9,617,992	9,617,992	9,617,992	9,617,992	12,642,912
6	316	Supply Mains	6,430,939	6,918,284	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950
7	317	Other Source of Supply Plant	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824
IV. PUMPING PLANT											
8	321	Structures and Improvements	3,476,383	4,503,660	4,524,314	4,787,504	6,350,301	6,350,301	6,350,301	6,350,301	6,350,301
9	324	Pumping Equipment	9,213,464	9,411,518	9,603,051	10,399,721	13,755,869	16,957,542	17,519,662	17,801,662	18,083,662
10	325	Other Pumping Plant	33,866	33,866	33,866	268,630	268,630	268,630	268,630	268,630	268,630
V. WATER TREATMENT PLANT											
11	331	Structures and Improvements	421,979	421,979	844,489	1,077,078	1,152,709	1,152,709	1,152,709	1,152,709	1,152,709
12	332	Water Treatment Equipment	3,066,104	3,066,104	3,137,911	3,318,343	3,414,859	3,433,659	3,461,859	3,537,059	3,565,259
VI. TRANSMISSION AND DISTRIBUTION PLANT											
13	341	Structures and Improvements	405,136	405,136	405,136	405,136	405,136	405,136	405,136	405,136	405,136
14	342	Reservoirs and Tanks	15,223,580	16,068,852	16,068,852	17,216,057	17,964,670	18,532,538	20,868,438	22,126,158	35,399,360
15	343	Transmission and Distribution Mains	60,448,840	62,975,777	67,255,757	70,788,784	77,538,811	80,218,949	82,088,609	88,234,329	91,537,489
16	345	Services	14,858,739	15,460,759	16,067,688	17,703,818	19,016,834	19,943,504	20,582,704	21,362,904	22,157,204
17	346	Meters	3,554,243	3,703,616	4,007,469	4,444,117	4,587,765	5,009,772	5,465,672	5,921,572	6,382,172
18	347	Meter Installations	0	0	0	0	62,973	175,826	265,126	354,426	443,726
19	348	Hydrants	5,462,497	5,618,967	6,039,616	6,351,549	6,710,302	6,804,302	6,898,302	7,001,702	7,123,902
20	VII. GENERAL PLANT										
21	371	Structures and Improvements	1,610,471	1,917,409	2,150,406	3,067,440	4,726,516	5,092,555	5,508,035	5,942,315	6,343,695
22	371-1	Leased Property Improvements	188,076	188,076	383,099	382,075	382,075	382,075	382,075	382,075	382,075
23	372-0	Office Furniture	303,718	305,504	307,218	329,797	335,517	335,517	335,517	335,517	335,517
24	372-1	Office Equipment	358,397	364,113	372,199	376,318	375,204	545,642	573,842	602,042	630,242
25	372-2	Computer Equipment	1,266,371	1,307,722	764,947	736,476	753,909	843,209	918,409	993,609	1,068,809
26	373	Transportation Equipment	17,681	17,681	17,681	47,478	47,478	47,478	47,478	47,478	47,478
27	374	Stores Equipment	0	0	0	0	0	0	0	0	0
28	375	Laboratory Equipment	0	0	0	0	0	0	0	0	0
29	376	Communication Equipment	2,328,012	2,347,937	2,430,357	2,539,941	2,613,119	2,641,319	2,678,919	2,716,519	2,754,119
30	377	Power Operated Equipment	76,800	76,800	71,852	71,852	71,852	71,852	71,852	71,852	71,852
31	378	Tools, Shop and Garage Equipment	249,535	268,875	255,952	299,280	312,321	378,121	396,921	415,721	551,081
32	379	Other General Plant	0	0	0	0	0	0	0	0	0
33	380	Automobiles	0	0	0	0	0	0	0	0	0
34	381	GIS Mapping Facilities	1,271,976	1,271,976	1,420,998	1,576,156	1,576,156	1,609,056	1,656,056	1,684,256	1,712,456
VIII. UNDISTRIBUTED ITEMS											
35	390	Other Tangible Property	212,856	4,445,422	0	0	0	0	0	0	0
36	TOTAL UTILITY PLANT IN SERVICE, END OF YEAR		138,514,082	149,122,535	152,589,417	164,582,414	181,567,267	190,343,953	197,040,513	206,852,233	228,936,055
37	DEPRECIABLE UTILITY PLANT IN SERVICE, END OF YEAR		136,538,168	147,154,519	150,621,401	162,519,921	179,504,773	188,281,459	194,978,019	204,789,739	226,873,561

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 ALTERNATIVE METHOD - UTILITY PLANT IN SERVICE

TABLE 6-8

Line Number	P.U.C Account Number	Description	Recorded Year					5 Year Average Plant Addition	2009 Year End Utility Plant In Service	Average Test Year	
			2005	2006	2007	2008	2009			2012	2013
UTILITY PLANT IN SERVICE - ALTERNATIVE METHODOLOGY											
I. INTANGIBLE PLANT											
1	301	Organization	0	0	0	0	0	0	115,858	115,858	115,858
2	302	Franchises and Consents	0	0	0	0	0	0	8,040	8,040	8,040
3	303	Other Intangible Plant	0	0	0	0	0	0	945,421	945,421	945,421
II. LANDED CAPITAL											
4	306	Land and Land Rights	140,889	0	0	3,617	0	28,901	993,175	1,079,878	1,108,780
III. SOURCE OF SUPPLY PLANT											
5	311	Structures and Improvements	0	0	0	0	0	0	0	0	0
6	312	Collecting and Impounding Reservoirs	0	0	0	0	0	0	0	0	0
7	313	Lake, River and Other Intakes	0	0	0	0	0	0	0	0	0
8	314	Springs and Tunnels	0	0	0	0	0	0	0	0	0
9	315	Wells	2,419,311	11,267	1,270,107	1,930,482	749,398	1,276,113	9,617,992	13,446,331	14,722,444
10	316	Supply Mains	0	487,345	215,666	0	0	140,602	7,133,950	7,555,757	7,696,359
11	317	Other Source of Supply Plant	0	0	0	0	0	0	329,824	329,824	329,824
IV. PUMPING PLANT											
12	321	Structures and Improvements	1,092,395	1,028,538	25,584	263,190	1,569,939	795,929	6,350,301	8,738,089	9,534,018
13	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0
14	323	Other Power Production Equipment	0	0	0	0	0	0	0	0	0
15	324	Pumping Equipment	306,316	249,321	256,265	823,299	3,524,236	1,031,888	13,755,869	16,851,532	17,883,419
16	325	Other Pumping Plant	0	0	0	234,764	0	46,953	268,630	409,488	456,441
V. WATER TREATMENT PLANT											
17	331	Structures and Improvements	394,978	0	422,510	232,589	75,631	225,142	1,152,709	1,828,134	2,053,276
18	332	Water Treatment Equipment	0	0	71,806	180,433	96,516	69,751	3,414,859	3,624,112	3,693,863
VI. TRANSMISSION AND DISTRIBUTION PLANT											
19	341	Structures and Improvements	197,750	0	0	0	0	39,550	405,136	523,786	563,336
20	342	Reservoirs and Tanks	4,320,627	916,925	0	1,147,205	773,526	1,431,657	17,964,670	22,259,639	23,691,296
21	343	Transmission and Distribution Mains	2,964,973	2,513,532	4,846,587	3,584,003	7,113,608	4,204,540	77,538,811	90,152,433	94,356,973
22	344	Fire Mains	0	0	0	0	0	0	0	0	0
23	345	Services	907,665	626,846	1,039,328	1,706,971	1,410,132	1,138,189	19,016,834	22,431,400	23,569,588
24	346	Meters	340,072	356,627	467,014	677,407	399,317	448,087	4,587,765	5,932,026	6,380,113
25	347	Meter Installations	0	0	0	0	62,973	12,595	62,973	100,757	113,351
26	348	Hydrants	135,829	163,544	439,516	324,491	366,611	285,998	6,710,302	7,568,296	7,854,294
27	349	Other Transmission and Distribution Plant	0	0	0	0	0	0	0	0	0
VII. GENERAL PLANT											
28	371	Structures and Improvements	53,826	323,246	646,149	868,879	1,659,076	710,235	4,726,516	6,857,221	7,567,456
29	371-1	Leased Property Improvements	88,720	0	195,024	47,131	0	66,175	382,075	580,600	646,775
30	372-0	Office Furniture	7,459	1,786	7,011	22,579	5,720	8,911	335,517	362,250	371,160
31	372-1	Office Equipment	66,381	5,716	10,061	4,403	0	17,312	375,204	427,141	444,453
32	372-2	Computer Equipment	126,249	41,801	46,139	30,296	46,961	58,289	753,909	928,777	987,066
33	373	Transportation Equipment	0	0	0	29,797	0	5,959	47,478	65,357	71,316
34	374	Stores Equipment	0	0	0	0	0	0	0	0	0
35	375	Laboratory Equipment	0	0	0	0	0	0	0	0	0
36	376	Communication Equipment	301,485	19,925	89,621	109,584	254,446	155,012	2,613,119	3,078,155	3,233,167
37	377	Power Operated Equipment	0	0	0	0	0	0	71,852	71,852	71,852
38	378	Tools, Shop and Garage Equipment	25,459	19,340	12,993	43,329	13,040	22,832	312,321	380,817	403,649
39	379	Other General Plant	0	0	0	0	0	0	0	0	0
40	380	Automobiles	0	0	0	0	0	0	0	0	0
41	381	GIS Mapping Facilities	244,653	0	149,022	155,158	0	109,767	1,576,156	1,905,456	2,015,223
VIII. UNDISTRIBUTED ITEMS											
42	390	Other Tangible Property	(4,167,738)	4,232,567	(4,445,422)	0	0	(876,119)	0	(2,628,356)	(3,504,475)
43		TOTAL AVERAGE UTILITY PLANT ADDITIONS DURING YEAR	9,967,301	10,998,325	5,764,979	12,419,607	18,121,129	11,454,268	181,567,267	215,930,071	227,384,339

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 UTILITY PLANT IN SERVICE - AVERAGE FOR YEAR, DOLLARS

TABLE 6-7

Line Number	P U C Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
UTILITY PLANT IN SERVICE - AVERAGE FOR YEAR											
I. INTANGIBLE PLANT											
1	301	Organization	24,997	24,997	24,997	115,858	115,858	115,858	115,858	115,858	115,858
2	302	Franchises and Consents	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040	8,040
3	303	Other Intangible Plant	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421	945,421
II. LANDED CAPITAL											
4	306	Land and Land Rights	927,012	993,507	989,558	991,366	993,175	993,175	993,175	993,175	993,175
III. SOURCE OF SUPPLY PLANT											
5	315	Wells	4,941,558	5,726,671	6,359,715	7,931,681	9,243,293	9,617,992	9,617,992	9,617,992	11,130,452
6	316	Supply Mains	6,430,939	6,674,612	7,026,117	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950	7,133,950
7	317	Other Source of Supply Plant	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824	329,824
IV. PUMPING PLANT											
8	321	Structures and Improvements	2,933,363	3,990,021	4,513,987	4,655,909	5,568,902	6,350,301	6,350,301	6,350,301	6,350,301
9	324	Pumping Equipment	9,060,306	9,312,491	9,507,284	10,001,386	12,077,795	15,356,706	17,238,602	17,660,662	17,942,662
10	325	Other Pumping Plant	33,866	33,866	33,866	151,248	268,630	268,630	268,630	268,630	268,630
V. WATER TREATMENT PLANT											
11	331	Structures and Improvements	224,490	421,979	633,234	960,783	1,114,894	1,152,709	1,152,709	1,152,709	1,152,709
12	332	Water Treatment Equipment	3,066,104	3,066,104	3,102,007	3,228,127	3,366,601	3,424,259	3,447,759	3,499,459	3,551,159
VI. TRANSMISSION AND DISTRIBUTION PLANT											
13	341	Structures and Improvements	306,262	405,136	405,136	405,136	405,136	405,136	405,136	405,136	405,136
14	342	Reservoirs and Tanks	13,129,363	15,646,216	16,068,852	16,642,454	17,590,363	18,248,604	19,700,488	21,497,298	28,762,759
15	343	Transmission and Distribution Mains	59,002,258	61,712,308	65,115,767	69,022,271	74,163,797	78,878,880	81,153,779	85,161,469	89,885,909
16	344	Fire Mains									
17	345	Services	14,422,280	15,159,749	15,764,224	16,885,753	18,360,326	19,480,169	20,263,104	20,972,804	21,760,054
18	346	Meters	3,523,688	3,628,930	3,855,543	4,225,793	4,515,941	4,798,768	5,237,722	5,693,622	6,151,872
19	347	Meter Installations	0	0	0	0	31,487	119,400	220,476	309,776	399,076
20	348	Hydrants	5,397,152	5,540,732	5,829,291	6,195,582	6,530,925	6,757,302	6,851,302	6,950,002	7,062,802
VII. GENERAL PLANT											
21	371	Structures and Improvements	1,588,598	1,763,940	2,033,907	2,633,001	3,896,978	4,909,535	5,300,295	5,725,175	6,143,005
22	371-1	Leased Property Improvements	143,716	188,076	285,588	358,510	382,075	382,075	382,075	382,075	382,075
23	372-0	Office Furniture	306,418	304,611	306,361	318,508	332,657	335,517	335,517	335,517	335,517
24	372-1	Office Equipment	370,295	361,255	368,156	374,259	375,761	460,423	559,742	587,942	616,142
25	372-2	Computer Equipment	1,225,832	1,287,046	1,036,334	750,711	745,193	798,559	880,809	956,009	1,031,209
26	373	Transportation Equipment	19,323	17,681	17,681	32,580	47,478	47,478	47,478	47,478	47,478
27	374	Stores Equipment	0	0	0	0	0	0	0	0	0
28	375	Laboratory Equipment	0	0	0	0	0	0	0	0	0
29	376	Communication Equipment	2,177,270	2,337,975	2,389,147	2,485,149	2,576,530	2,627,219	2,660,119	2,697,719	2,735,319
30	377	Power Operated Equipment	76,800	76,800	74,326	71,852	71,852	71,852	71,852	71,852	71,852
31	378	Tools, Shop and Garage Equipment	236,806	259,205	262,414	277,616	305,801	345,221	387,521	406,321	483,401
32	379	Other General Plant	0	0	0	0	0	0	0	0	0
33	380	Automobiles	0	0	0	0	0	0	0	0	0
34	381	GIS Mapping Facilities	1,149,650	1,271,976	1,346,487	1,498,577	1,576,156	1,592,606	1,632,556	1,670,156	1,698,356
VIII. UNDISTRIBUTED ITEMS											
35	390	Other Tangible Property	2,296,725	2,329,139	2,222,711	0	0	0	0	0	0
36	TOTAL UTILITY PLANT IN SERVICE, AVERAGE FOR YEAR		134,298,356	143,818,308	150,855,975	158,631,345	173,074,839	185,955,609	193,692,232	201,946,372	217,894,143
37	DEPRECIABLE UTILITY PLANT IN SERVICE, AVG FOR YEAR		132,392,886	141,846,343	148,887,959	156,570,660	171,012,345	183,893,115	191,629,738	199,883,878	215,831,649

7 Chapter - Depreciation Accruals, Reserve For Depreciation

Depreciation accruals and reserve for depreciation for recorded years 2005 through 2009, adjusted year 2010, and estimated years ending December 31, 2012 and 20103 are presented in this chapter.

New straight line remaining life depreciation rates developed which were used in computing depreciation accruals and reserve for depreciation as discussed in the testimony of Christian L. Aldinger's testimony, a Principal with Peasley, Aldinger & O'Bymachow, an Accountancy Corporation.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
DEPRECIATION ACCRUAL DETERMINATION
STRAIGHT LINE REMAINING LIFE METHOD

TABLE 7-1

Line No	P U C. Account No	Description	Gross Plant, \$ (Dec 31, 2009)	Est Future Net Salvage Estimated Gross Salvage Less Cost of Removal		Depreciation Reserve, \$ (Dec 31, 2009)	Net Balance, \$ (1)-(2)-(3)	Total Service Life		Remaining Life (Years)	Annual Accrual (4)/(5), \$	% of Gross Plant (Rate)
				%	Amount, \$			Orig Group (Years)	Survivors (Years)			
			(1)	(A)	(2)	(3)	(4)	(B)	(C)	(5)	(6)	(E)
III. SOURCE OF SUPPLY PLANT												
1	315	Wells	9,617,992	-11.00%	(1,057,979)	1,147,576	9,528,395	30 0	5 6	24 4	390,508	4 060%
2	316	Supply Mains	7,133,950	-38 00%	(2,710,901)	2,799,204	7,045,647	50 0	13 4	36.6	192,504	2 698%
3.	317	Other Source of Supply Plant	329,824	0 00%	0	332,302	(2,478)	20 0	17 6	2 4	(1,033)	-0 313%
IV. PUMPING PLANT												
4	321	Structures and Improvements	6,350,301	-2.00%	(127,006)	1,052,242	5,425,065	30 0	5 2	24.8	218,753	3 445%
5	324	Pumping Equipment	13,755,869	0.00%	0	5,116,046	8,639,823	20 0	7 0	13 0	664,602	4 831%
6	325	Other Pumping Plant	268,630	0.00%	0	26,617	242,013	20 0	2 5	17 5	13,829	5 148%
V. WATER TREATMENT PLANT												
7	331	Structures and Improvements	1,152,709	-2 00%	(23,054)	128,182	1,047,581	30 0	3 2	26 8	39,089	3 391%
8	332	Water Treatment Equipment	3,414,859	-5 00%	(170,743)	1,560,292	2,025,310	20 0	7 3	12 7	159,473	4 670%
VI. TRANSMISSION AND DISTRIBUTION PLANT												
9	341	T&D Plant Structure Impr	405,136	0 00%	0	104,865	300,271	20 0	5 5	14 5	20,708	5 111%
10	342	Reservoirs and Tanks	17,964,670	-12 00%	(2,155,760)	3,503,269	16,617,161	50 0	14 2	35 8	464,167	2 584%
11	343	Transmission and Distribution Mains	77,538,811	-15 00%	(11,630,822)	25,044,500	64,125,133	49 0	15 1	33 9	1,891,597	2 440%
12	345	Services	19,016,834	-23 00%	(4,373,872)	9,456,551	13,934,155	30 0	11 7	18 3	761,429	4 004%
13	346	Meters	4,587,765	4 00%	183,511	1,455,915	2,948,339	15 0	6 0	9 0	327,593	7 141%
14	347	Meter Installations	62,973		0	1,721	61,252	15 0	6 9	14.5	4,224	6 708%
15	348	Hydrants	6,710,302	-16 00%	(1,073,648)	3,624,642	4,159,308	30 0	14 5	15 5	268,342	3 999%
VII. GENERAL PLANT												
16	371	Structures and Improvements	4,726,516	0 00%	0	(332,220)	5,058,736	40 0	2 6	37.4	135,260	2 862%
17	371-1	Leased Property Improvements	382,075	0 00%	0	239,863	142,212	10 0	3 4	6 6	21,547	5 639%
18	372-0	Office Furniture	335,518	5 00%	16,776	142,989	175,753	5 0	3 6	1 4	125,538	37 416%
19	372-1	Office Equipment	375,204	0 00%	0	230,860	144,344	5 0	2 9	2 1	68,735	18 319%
20	372-2	Computer Equipment	753,909	-10 00%	(75,391)	734,228	95,072	5 0	2 1	2 9	32,783	4 348%
21	373	Transportation Equipment	47,478	0 00%	0	2,010	45,468	5 0	2 3	2 7	16,840	35 469%
22	376	Communication Equipment	2,613,118	0 00%	0	2,171,038	442,080	10 0	6 9	3 1	142,606	5 457%
23	377	Power Operated Equipment	71,852	5 00%	3,593	68,733	(474)	10 0	9 1	0 9	(527)	-0 733%
24	378	Tools, Shop and Garage Equipment	312,321	0 00%	0	217,917	94,404	5 0	2 9	2 1	44,954	14 394%
25.	379	Other General Plant	0	0.00%	0	0	0	5 0	5 0		0 000%	
26	380	Automobiles	0	0 00%	0	0	0	5 0	5 0		0 000%	
27	381	GIS Mapping Facilities	1,576,157	0 00%	0	1,334,816	241,341	5 0	2 9	2.1	114,924	7 291%
28		TOTAL DEPRECIABLE PLANT	179,504,773		(23,195,296)	60,164,158	142,535,911				6,118,445	3 409%

CALCULATION OF COMPOSITE DEPRECIATION RATE FOR CONTRIBUTIONS IN AID OF CONSTRUCTION

29	Transmission and Distribution Plant Less Meters	121,698,726	3,410,467	2.802%
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SUBURBAN WATER SYSTEMS
TOTAL COMPANY
DEPRECIATION RATES, PERCENT

TABLE 7-2

Line Number	P.U.C. Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
III. SOURCE OF SUPPLY PLANT											
1	315	Wells	4 667%	4 854%	5 107%	4 509%	4 467%	4 467%	4 467%	4 060%	4 060%
2	316	Supply Mains	2 092%	2 271%	2 832%	2 912%	2 791%	2 791%	2 791%	2 698%	2 698%
3	317	Other Source of Supply Plant	0 245%	-0 190%	-1 276%	-1 493%	-1 760%	-1 760%	-1 760%	-0 313%	-0 313%
IV. PUMPING PLANT											
4	321	Structures and Improvements	3 539%	3 276%	3 791%	3 699%	3 476%	3 476%	3 476%	3 445%	3 445%
5	322	Boiler Plant Equipment									
6	323	Other Power Production Equipment									
7	324	Pumping Equipment	4 494%	4 690%	5 029%	4 880%	4 855%	4 855%	4 855%	4 831%	4 831%
8	325	Other Pumping Plant	1 890%	3 399%	7 166%	2 798%	8 436%	8 436%	8 436%	5 148%	5 148%
V. WATER TREATMENT PLANT											
9	331	Structures and Improvements	2 368%	2 670%	4 753%	3 730%	3 647%	3 647%	3 647%	3 391%	3 391%
10	332	Water Treatment Equipment	5 341%	5 274%	5 136%	5 090%	4 901%	4 901%	4 901%	4 670%	4 670%
VI. TRANSMISSION AND DISTRIBUTION PLANT											
11	341	Structures and Improvements	3 000%	3 537%	4 878%	5 146%	5 226%	5 226%	5 226%	5 111%	5 111%
12	342	Reservoirs and Tanks	1 814%	2 033%	2 766%	2 815%	2 663%	2 663%	2 663%	2 584%	2 584%
13	343	Transmission and Distribution Mains	2 055%	2 167%	2 573%	2 614%	2 523%	2 523%	2 523%	2 440%	2 440%
14	344	Fire Mains									
15	345	Services	3 113%	3 510%	4 532%	4 522%	4 355%	4 355%	4 355%	4 004%	4 004%
16	346	Meters	7 261%	7 450%	7 807%	7 780%	7 845%	7 845%	7 845%	7 141%	7 141%
17	347	Meter Installations					5 465%	5 465%	5 465%	6 708%	6 708%
18	348	Hydrants	2 736%	3 221%	4 427%	4 675%	4 422%	4 422%	4 422%	3 999%	3 999%
19	349	Other Transmission and Distribution Plant									
VII. GENERAL PLANT											
20	371	Structures and Improvements	2 347%	2 625%	3 519%	3 033%	2 695%	2 695%	2 695%	2 862%	2 862%
21	371-1	Leased Property Improvements	0 000%	0 000%	51 715%	11 869%	12 987%	12 987%	12 987%	5 639%	5 639%
22	372-0	Office Furniture	1 472%	0 520%	-2 320%	-2 813%	3 559%	3 559%	3 559%	37 416%	37 416%
23	372-1	Office Equipment	1 431%	0 515%	-2 268%	-2 789%	3 701%	18 319%	18 319%	18 319%	18 319%
24	372-2	Computer Equipment	1 430%	0 478%	-2 665%	1 534%	6 173%	4 348%	4 348%	4 348%	4 348%
25	373	Transportation Equipment	0 000%	-12 381%	-43 295%	-30 621%	0 000%	0 000%	0 000%	35 469%	35 469%
26	374	Stores Equipment									
27	375	Laboratory Equipment									
28	376	Communication Equipment	9 581%	9 160%	9 123%	8 862%	7 100%	7 100%	7 100%	5 457%	5 457%
29	377	Power Operated Equipment	0 105%	0 281%	0 731%	0 803%	0 920%	0 920%	0 920%	-0 733%	-0 733%
30	378	Tools, Shop and Garage Equipment	1 549%	0 552%	-1 959%	-2 441%	3 028%	3 028%	3 028%	14 394%	14 394%
31	379	Other General Plant	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%
32	380	Automobiles	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%	0 000%
33	381	GIS Mapping	4 000%	8 235%	19 611%	22 201%	23 838%	23 838%	23 838%	7 291%	7 291%
34		COMPOSITE RATE	2 781%	2 958%	3 640%	3 674%	3 634%	3 665%	3 680%	3 439%	3 412%

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
DEPRECIATION ACCRUALS AND EXPENSE, DOLLARS

TABLE 7-3

Line Number	P U C. Account Number	Description	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
III. SOURCE OF SUPPLY PLANT											
1.	315	Wells	230,623	277,948	324,820	357,674	412,855	429,636	429,636	390,490	451,896
2	316	Supply Mains	134,535	151,566	198,968	207,741	199,109	199,109	199,109	192,474	192,474
3	317	Other Source of Supply Plant	808	(626)	(4,209)	(4,924)	(5,805)	(5,805)	(5,805)	(1,032)	(1,032)
IV. PUMPING PLANT											
4	321	Structures and Improvements	103,811	130,720	171,121	172,212	193,582	220,736	220,736	218,768	218,768
5.	324	Pumping Equipment	407,170	436,774	478,140	488,072	586,320	745,568	836,934	853,187	866,810
6.	325	Other Pumping Plant	640	1,151	2,427	4,232	22,662	22,662	22,662	13,829	13,829
V. WATER TREATMENT PLANT											
7	331	Structures and Improvements	5,315	11,268	30,097	35,837	40,663	42,039	42,039	39,088	39,088
8.	332	Water Treatment Equipment	163,760	161,708	159,315	164,312	165,003	167,823	168,975	163,425	165,839
VI. TRANSMISSION AND DISTRIBUTION PLANT											
9.	341	Structures and Improvements	9,188	14,329	19,762	20,848	21,172	21,172	21,172	20,707	20,707
10	342	Reservoirs and Tanks	238,106	318,080	444,464	468,446	468,448	485,960	524,624	555,490	743,230
11	343	Transmission and Distribution Mains	1,212,768	1,337,583	1,675,692	1,804,287	1,870,798	1,990,114	2,047,510	2,077,940	2,193,216
12	344	Fire Mains									
13.	345	Services	449,013	532,046	714,487	763,602	799,659	848,361	882,458	839,751	871,273
14	346	Meters	255,854	270,372	300,984	328,746	354,280	376,463	410,899	406,582	439,305
15	347	Meter Installations					1,721	6,525	12,049	20,780	26,770
16	348	Hydrants	147,655	178,481	258,050	289,672	288,806	298,808	302,965	277,931	282,441
VII. GENERAL PLANT											
17.	371	Structures and Improvements	37,285	46,311	71,581	79,852	105,022	132,312	142,843	163,855	175,813
18.	371-1	Leased Property Improvements			147,691	42,552	49,620	49,620	49,620	21,545	21,545
19.	372-0	Office Furniture	4,512	1,583	(7,107)	(8,958)	11,840	11,941	11,941	125,537	125,537
20	372-1	Office Equipment	5,300	1,859	(8,349)	(10,437)	13,909	84,345	102,539	107,705	112,871
21	372-2	Computer Equipment	17,529	6,150	(27,615)	11,519	46,004	34,721	38,298	41,567	44,837
22.	373	Transportation Equipment	0	(2,189)	(7,655)	(9,976)		0	0	16,840	16,840
23	374	Stores Equipment									
24	375	Laboratory Equipment									
25	376	Communication Equipment	208,597	214,161	217,970	220,233	182,942	186,533	188,868	147,215	149,266
26	377	Power Operated Equipment	81	216	543	577	661	661	661	(527)	(527)
27.	378	Tools, Shop and Garage Equipment	3,668	1,430	(5,140)	(6,778)	9,260	10,453	11,734	58,486	69,581
28	379	Other General Plant									
29	380	Automobiles									
30	381	GIS Mapping	45,988	104,749	264,058	332,694	375,724	379,645	389,169	121,771	123,827
31	390	Other Tangible Property									
32		TOTAL DEPRECIATION ACCRUAL	3,682,205	4,195,670	5,420,094	5,752,034	6,214,253	6,739,402	7,051,636	6,873,404	7,364,204
33		Less Depreciation Charged to Contributions In Aid Of Construction	572,832	678,153	503,182	896,408	775,827	775,827	739,353	740,754	742,155
34		NET DEPRECIATION EXPENSE	3,109,373	3,517,517	4,916,913	4,855,626	5,438,426	5,963,575	6,312,283	6,132,650	6,622,049

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
DEPRECIATION RESERVE, DOLLARS

TABLE 7-4

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
DEPRECIATION RESERVE										
1	Depreciation Reserve, Beginning of Year Balance	43,017,954	44,277,992	47,175,710	49,691,331	53,168,201	56,737,756	60,893,002	65,909,729	70,034,984
<u>Add</u>										
2	Depreciation Accrual	3,109,373	3,517,517	4,916,913	4,855,626	5,438,426	5,963,575	6,312,283	6,132,650	6,622,049
3	Salvage	1,661	9,794	12,060	3,730	11,885	11,885	11,885	11,885	11,885
<u>Less</u>										
4	Retirements	1,535,848	381,973	2,298,097	517,849	1,136,277	560,214	427,440	626,280	1,409,606
5	Cost of Removal	315,148	247,619	115,460	864,637	744,479	1,260,000	880,000	1,393,000	1,410,000
6	Adjustments			(205)						
7	Depreciation Reserve, End of Year Balance	44,277,992	47,175,710	49,691,331	53,168,201	56,737,756	60,893,002	65,909,729	70,034,984	73,849,311
8	AVERAGE DEPRECIATION RESERVE FOR RATE BASE	43,647,973	45,726,851	48,433,521	51,429,766	54,952,979	58,815,379	63,401,365	67,972,356	71,942,148

COST OF REMOVAL:

P U C Account No	Description	Estimated Year		Test Year	
		2010	2011	2012	2013
9	324 Plant 119 Pump Station and Reservoir Removal		218,000		
10	342 Plant 167 Reservoir Recoating		133,000		
11	324 Plant 205 Pump Station Removal		165,000		
12	342 Plant 503 Reservoir recoat			213,000	
13	341 Plant 224 Facility Construction			285,000	
14	341 Plant 408 Facility Construction				500,000
15	342 Re-coat Plant 129		135,000		
16	347 Meter Installation		174,000	95,000	95,000
17	345 Services		570,000	650,000	800,000
18			<u>1,260,000</u>	<u>880,000</u>	<u>1,393,000</u>
					<u>1,410,000</u>

NOTE:

Savings That Have Been Removed from 2012 and 2013 Cost of Removal Reduction Related to Proposed Addition of a Three-Person Leak-Crew

19	Water Main	\$13,639
20	Service Line	\$10,766
21	Fire Hydrant	\$87
22		<u>\$24,491</u>

8 Chapter - Rate Base

Components of rate base include utility plant, construction work in progress, materials and supplies, and working cash; less reserve for depreciation, advances for construction, contributions in aid of construction, investment tax credit adjustment, employee pension reserve, deferred revenue and deferred income taxes. Computation of rate base for the recorded years 2005 through 2009 and for the test years ending December 31, 2012 and 2013 are shown in Table 8-1.

8.1 Utility Plant

Utility plant totals shown in Table 8-1 were computed in Chapter 6 in Table 6-7.

8.2 Materials and Supplies

The materials and supplies amounts shown in Table 8-1 for each year are the average of the beginning and end of year amounts for recorded year 2009 increased by Staff approved escalation rates shown on Table 8-1, to reflect increasing cost levels due to inflation. Changes in customer growth have also been considered.

8.3 Working Cash

The estimate of working cash included in rate base shown in Table 8-1 was computed in accordance with Commission Standard Practice U-16 as shown in Table 8-2. It is believed that this amount represents a reasonable amount of cash to be permanently committed by the Company to meet current financial obligations taking into account the time lag between when expenses are incurred and when the related income is received based on the monthly billing cycle.

8.4 Reserve for Depreciation

The reserve for depreciation totals shown in Table 8-1 were computed in Chapter 7 as shown in Table 7-4.

8.5 Advances for Construction

Advances for construction totals shown in Table 8-1 were computed in Table 8-3.

Additions to advances for construction shown for the years ending December 31, 2009 and 2010 are consistent with new business plant additions shown in Table 6-1.

Advances for rate base as shown were computed as the average of beginning and end of year balances.

8.6 Contributions in Aid of Construction

The contributions in aid of construction totals shown in Table 8-1 are computed in Table 8-4. Additions shown were computed in Table 6-1 consistent with the computation of advances for construction discussed above.

8.7 Deferred Income Taxes, Depreciation Differences t

The difference between taxes charged to expense and taxes payable is credited to a deferred tax account. Computation of the amount of deferred taxes in this account, which is shown as a deduction in computing rate base, is shown in Table 9-6.

8.8 Deferred Federal Income Taxes Associated with Taxable Advances and Contributions

The Tax Reform Act of 1986 for the first time required that Contributions in Aid of Construction be included in taxable income. The Commission in Decision 87-09-026 provided alternate accounting and ratemaking procedures for amounts received and income taxes paid. Suburban elected Method 5, which provides for amounts received to be grossed up by the net present value of the revenue requirement for rate base treatment of taxes paid. This same method is also used for CCFT on advances and contributions that became taxable for CCFT purposes on January 1, 1992. The computations of deferred tax amounts from 1987 through estimated year ending December 31, 2012 are shown in Table 8-6 and Table 8-7 for taxable advances and taxable contributions, respectively. These amounts are shown as credit balances in this table to reflect that they are actually negative deferred taxes or prepaid taxes.

8.9 Investment Tax Credit Adjustment

In accordance with the Federal Tax Act of 1971 and the Tax Reduction Act of 1975, for ratemaking purposes, regulated utilities are allowed the option of considering investment tax credits as either a reduction in rate base to be restored over the life of the equipment installed, or as a reduction in the total tax liability, also spread over the life of the equipment installed. As the Company did not make an election as to which option it preferred within 90 days after the date of enactment of either tax act, the rate base adjustment option automatically applies. Computation of the investment tax credit adjustment in Table 8-1 is shown in Table 8-5. The adjustment is computed as the cumulative investment credit taken since year 1972 less the cumulative proration of prior year credits.

**8.10 Deferred Revenues Associated with Taxable
Contributions in Aid of Construction**

Method 5 of the Commission procedures for accounting and ratemaking for taxable contribution also provided for a deferred revenue component associated with the gross up on amounts received. The computation of resulting deferred revenues generated and the amortization of deferred revenues for year 1987 through estimated year 2010 is shown in Table 8-8.

8.11 Pension Reserve

Effective December 30, 1999 Suburban terminated its pension plan. Final settlement of the plan was made in February 2002 when the plan assets were distributed to the participants. Surplus assets were transferred to the Company's 401(k) Plan concurrently with the distribution to participants in February 2002. As a result, Suburban no longer had a pension reserve.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
RATE BASE, DOLLARS

TABLE 8-1

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Utility Plant in Service, Average for Year (Table 6-7)	134,298,356	143,818,308	150,855,975	158,631,345	173,074,839	185,955,609	193,692,232	201,946,372	217,894,143
2	Construction Work in Progress, Average for Year (Table 6-1, line 7)	5,656,385	4,821,039	8,414,467	11,375,110	5,621,390	371,234	0	4,268,274	6,406,373
3	Materials and Supplies, Average for Year A\	370,284	319,017	288,103	272,696	228,128	319,977	325,160	333,354	342,355
4	Working Cash (Table 8-2)						3,061,444	2,635,244	525,752	845,644
5	TOTAL ADDITIONS TO RATE BASE	140,325,024	148,958,363	159,558,545	170,279,150	178,924,357	189,708,263	196,652,636	207,073,752	225,488,515
LESS DEDUCTIONS FROM RATE BASE										
6	Reserve for Depreciation (Table 7-4)	43,647,973	45,726,851	48,433,521	51,429,766	54,952,979	58,815,379	63,401,365	67,972,356	71,942,148
7	Advances for Construction (Table 8-3)	5,735,226	6,001,360	6,643,302	7,240,722	7,438,565	7,869,151	8,028,635	7,886,215	7,741,795
8	Contributions in Aid of Construction (Table 8-4)	13,797,537	14,854,193	15,479,029	17,126,877	17,750,351	17,135,326	16,446,674	15,756,620	15,065,166
9	Unamortized Investment Tax Credits (Table 8-5)	548,109	508,138	468,167	428,196	395,982	367,294	334,373	301,452	268,531
10	Accumulated Deferred Taxes, Taxable Advances For Construction (Table 8-6)	(156,047)	(149,912)	(143,777)	(137,642)	(131,507)	(125,372)	(119,237)	(113,102)	(106,967)
11	Accumulated Deferred Taxes, Taxable Contributions in Aid of Construction (Table 8-7)	(211,015)	(175,958)	(142,103)	(110,355)	(82,466)	(57,532)	(37,098)	(24,183)	(15,453)
12	Unamortized Deferred Revenue, Taxable C I A C (Table 8-8)	104,055	84,642	74,653	65,815	58,116	50,955	43,793	36,631	29,470
13	Pension Reserve (Table 8-9)	608,272	434,480	260,688	86,896	0	0	0	0	0
14	Accumulated Deferred Income Taxes Depreciation Timing Differences (Table 9-3)	8,951,849	9,505,267	9,648,990	10,451,243	12,300,284	14,014,257	15,747,274	17,491,144	17,834,767
15	Accumulated Deferred Income Taxes - Pension Reserve Pension Reserve (Table 8-9)	(212,895)	(152,068)	(91,241)	(30,414)	0	0	0	0	0
16	Interest During Construction (IDC)	0	15,967	69,396	128,094	226,486	278,469	326,641	509,170	694,553
17	Amortization of Interest During Construction	0	(319)	(2,027)	(5,977)	(13,069)	(23,169)	(35,271)	(51,988)	(76,063)
18	TOTAL DEDUCTIONS FROM RATE BASE	72,813,062	76,652,640	80,698,597	86,673,221	92,895,721	98,324,757	104,137,148	109,764,314	113,377,946
19	TOTAL RATE BASE	67,511,962	72,305,723	78,859,948	83,605,930	86,028,636	91,383,506	92,515,488	97,309,438	112,110,569
20	A\ Materials and Supplies Escalation Factors	104.86%	104.82%	103.40%	105.04%	98.60%	103.04%	101.62%	102.52%	102.70%
21										
22	Inflation Escalation Factor Total	104.86%	104.82%	103.40%	105.04%	98.60%	103.04%	101.62%	102.52%	102.70%

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF WORKING CASH ALLOWANCE, DOLLARS

TABLE 8-2

Line Number	Item	Average Days Lag	Estimated 2010 Expense	Dollar-Days Lag	Estimated 2011 Expense	Dollar-Days Lag	Estimated 2012 Expense	Dollar-Days Lag	Estimated 2013 Expense	Dollar-Days Lag
		(1)	(2)	(3)						
1.	Labor	10.8	7,624,248	82,341,883	7,883,703	85,143,995	8,414,520	90,876,819	8,572,190	92,579,652
2.	Pumped Water Assessments, M.B.	155.0	1,058,993	164,143,896	1,058,993	164,143,896	1,058,993	164,143,896	1,058,993	164,143,896
3.	Pumped Water Assessments, C.B.	54.8	386,904	21,202,361	386,904	21,202,361	386,904	21,202,361	386,904	21,202,361
4.	Purchased Water	26.2	13,491,315	353,472,455	13,618,296	356,799,368	13,979,155	366,253,862	13,756,402	360,417,723
5.	Other Source of Supply	19.4	24,436	474,062	65,000	1,261,000	66,638	1,292,777	68,437	1,327,678
6.	Purchased Power	32.2	2,990,077	96,280,465	2,929,149	94,318,604	2,907,778	93,630,441	2,886,898	92,958,116
7.	Postage	-17.8	371,666	(6,615,655)	371,961	(6,620,906)	372,223	(6,625,569)	372,484	(6,630,215)
8.	Uncollectible Accounts	0.0	74,047	0	74,205	0	75,107	0	74,820	0
9.	Franchise Requirements *	265.0	687,581	182,208,965	700,135	185,535,775	946,143	250,727,895	981,613	260,127,376
10.	Regulatory Commission Expenses	24.2	129,110	3,124,462	131,202	3,175,088	427,016	10,333,783	427,016	10,333,783
11.	P.U.C. Reimbursement Fee *	64.4	793,029	51,071,068	807,506	52,003,386	1,093,234	70,404,270	1,134,218	73,043,639
12.	Transportation Expenses	-22.7	1,042,770	(23,670,886)	1,099,510	(24,958,885)	1,117,340	(25,363,611)	1,144,948	(25,990,317)
13.	Property Insurance	15.0	193,683	2,905,245	205,454	3,081,810	207,919	3,118,785	210,414	3,156,210
14.	Insurance, Injuries & Damages	15.0	752,562	11,288,430	690,343	10,355,145	701,150	10,517,250	712,613	10,689,195
15.	Employees' 401K	11.5	292,133	3,359,527	296,865	3,413,948	304,346	3,499,979	312,563	3,594,475
16.	Employee Benefits - Health Insurance	15.0	821,531	12,322,962	909,674	13,645,110	1,057,863	15,867,945	1,157,583	17,363,745
17.	Employee Benefits - Training and Retirement	-5.3	166,745	(883,750)	201,947	(1,070,319)	207,036	(1,097,291)	212,627	(1,126,923)
18.	Other Operating Expenses	7.1	22,001,774	156,212,594	20,074,785	142,530,971	18,779,152	133,331,976	18,705,100	132,806,208
19.	Depreciation Expense	0.0	5,963,575	0	6,312,283	0	6,132,650	0	6,622,049	0
20.	FICA	11.5	472,703	5,436,085	488,790	5,621,085	521,700	5,999,550	531,476	6,111,974
21.	Other Payroll Taxes	11.5	146,324	1,682,726	149,787	1,722,551	159,205	1,830,858	161,023	1,851,765
22.	Property Taxes	13.0	964,292	12,535,796	1,056,688	13,736,944	1,093,341	14,213,433	1,135,084	14,756,092
23.	Current Income Taxes *	121.0	(2,490,111)	(301,303,410)	(1,025,819)	(124,124,093)	6,935,991	839,254,952	6,294,681	761,656,441
24.	Deferred Income Taxes	0.0	(1,745,042)	0	(1,759,586)	0	(1,762,919)	0	(358,488)	0
25.	Deferred Investment Tax Credits	0.0	0	0	0	0	0	0	0	0
26.	TOTAL		56,214,345	827,589,281	56,727,776	1,000,916,834	65,182,484	2,063,414,361	66,561,648	1,994,372,874
27.	Revenue Lag Days		34.6		34.6		34.6		34.6	
28.	Expense Lag Days (Dollar-Lag Days / Expense)		14.7		17.6		31.7		30.0	
29.	Net Expense Lag Days		19.9		17.0		2.9		4.6	
30.	Working Cash (Exp X Net Exp Lag Days / 365)		3,061,444		2,635,244		525,752		845,644	

* NOTE: These expenses are based on proposed rates for test years 2012 and 2013. Manually input amounts are based on Table 11-2.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
ADVANCES FOR CONSTRUCTION, DOLLARS

TABLE 8-3

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
ADVANCES FOR CONSTRUCTION										
<u>22% OF REVENUE BASIS</u>										
1.	BEGINNING OF YEAR BALANCE	77,190	36,361	0	0	0	0	0	0	0
2	Additions During Year	0	0	0	0	0	0	0	0	0
3	Refunds, Percent of Revenue	40,829	36,361				0	0	0	0
4.	END OF YEAR BALANCE	36,361	0	0	0	0	0	0	0	0
5	AVERAGE FOR YEAR, 22% OF REVENUE BASIS	56,776	18,181	0	0	0	0	0	0	0
<u>2-1/2% OF ANNUAL PAYMENT BASIS</u>										
Advances for Construction Prior to 1987										
6	BEGINNING OF YEAR BALANCE	522,594	495,976	471,584	447,192	422,800	398,409	374,017	349,625	325,233
7.	Additions During Year	0	0	0	0	0	0	0	0	0
8.	Refunds, Percent of Advances	26,619	24,392	24,392	24,392	24,392	24,392	24,392	24,392	24,392
9	END OF YEAR BALANCE	495,976	471,584	447,192	422,800	398,409	374,017	349,625	325,233	300,842
10	AVERAGE FOR YEAR, ADVANCES PRIOR TO 1987	509,285	483,780	459,388	434,996	410,604	386,213	361,821	337,429	313,037
Advances for Construction, 1987 and Later										
11	BEGINNING OF YEAR BALANCE	4,214,078	4,753,141	4,920,753	6,169,030	6,211,112	6,659,197	7,166,890	7,072,774	6,976,658
12	Additions During Year	670,444	296,994	1,401,014	166,379	599,809	679,809	80,000	80,000	80,000
13	Refunds, Percent of Advances	131,381	129,382	152,737	124,297	151,724	172,116	174,116	176,116	178,116
14	END OF YEAR BALANCE	4,753,141	4,920,753	6,169,030	6,211,112	6,659,197	7,166,890	7,072,774	6,976,658	6,878,542
15.	AVERAGE FOR YEAR, ADVANCES 1987 and LATER	4,483,610	4,836,947	5,544,892	6,190,071	6,435,155	6,913,044	7,119,832	7,024,716	6,927,600
Gross-Up for Construction, 1987 and Later										
16.	BEGINNING OF YEAR BALANCE	697,202	673,908	650,996	627,047	604,262	581,350	558,438	535,526	512,614
17.	Additions During Year	0	0	0	0	0	0	0	0	0
18	Refunds, Percent of Advances	23,294	22,912	23,949	22,785	22,912	22,912	22,912	22,912	22,912
19	END OF YEAR BALANCE	673,908	650,996	627,047	604,262	581,350	558,438	535,526	512,614	489,702
20	AVERAGE FOR YEAR, GROSS-UP 1987 and LATER	685,555	662,452	639,022	615,655	592,806	569,894	546,982	524,070	501,158
21.	AVERAGE FOR YEAR, 2-1/2% BASIS	5,678,450	5,983,179	6,643,302	7,240,722	7,438,565	7,869,151	8,028,635	7,886,215	7,741,795
22	ADVANCES FOR CONSTRUCTION FOR RATE BASE	5,735,226	6,001,360	6,643,302	7,240,722	7,438,565	7,869,151	8,028,635	7,886,215	7,741,795

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 CONTRIBUTIONS IN AID OF CONSTRUCTION, DOLLARS

TABLE 8-4

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
CONTRIBUTIONS IN AID OF CONSTRUCTION										
<u>GROSS CONTRIBUTIONS, DEPRECIABLE</u>										
1	BEGINNING OF YEAR BALANCE	18,018,317	20,961,444	21,382,614	23,392,450	26,077,900	26,311,631	26,361,631	26,411,631	26,461,631
2.	Additions During Year	2,943,127	421,171	2,009,836	2,685,449	233,732	50,000	50,000	50,000	50,000
3.	Adjustments During Year									
4	END OF YEAR BALANCE	20,961,444	21,382,614	23,392,450	26,077,900	26,311,631	26,361,631	26,411,631	26,461,631	26,511,631
5.	AVERAGE OF YEAR	19,489,880	21,172,029	22,387,532	24,735,175	26,194,766	26,336,631	26,386,631	26,436,631	26,486,631
<u>DEPRECIATION CHARGED TO CONTRIBUTIONS</u>										
6	BEGINNING OF YEAR BALANCE	5,508,728	6,081,560	6,759,713	7,262,895	8,159,303	8,935,130	9,673,082	10,412,435	11,153,189
7	Composite Depreciation Rate	2.939%	3.203%	2.248%	3.624%	2.962%	2.802%	2.802%	2.802%	2.802%
8.	Charged During Year	572,832	678,153	503,182	896,408	775,827	737,952	739,353	740,754	742,155
9	END OF YEAR BALANCE	6,081,560	6,759,713	7,262,895	8,159,303	8,935,130	9,673,082	10,412,435	11,153,189	11,895,344
10.	AVERAGE FOR YEAR	5,795,144	6,420,637	7,011,304	7,711,099	8,547,216	9,304,106	10,042,758	10,782,812	11,524,266
11.	NET DEPRECIABLE CONTRIBUTIONS, AVERAGE FOR YEAR	13,694,736	14,751,392	15,376,228	17,024,076	17,647,550	17,032,525	16,343,873	15,653,819	14,962,365
12.	NON-DEPRECIABLE CONTRIBUTIONS, AVERAGE FOR YEAR	102,801	102,801	102,801	102,801	102,801	102,801	102,801	102,801	102,801
13.	CONTRIBUTIONS IN AID OF CONSTRUCTION FOR RATE BASE	13,797,537	14,854,193	15,479,029	17,126,877	17,750,351	17,135,326	16,446,674	15,756,620	15,065,166

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 INVESTMENT TAX CREDIT (ITC), DOLLARS

TABLE 8-5

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1	BEGINNING OF YEAR BALANCE	568,094	528,123	488,152	448,181	408,210	383,754	350,833	317,912	284,991
2	Addition During the Year	0	0	0	0	0	0	0	0	0
3.	Amortization for the Year	39,971	39,971	39,971	39,971	24,456	32,921	32,921	32,921	32,921
4	END OF YEAR BALANCE	528,123	488,152	448,181	408,210	383,754	350,833	317,912	284,991	252,070
5.	AVERAGE ITC BALANCE	548,109	508,138	468,167	428,196	395,982	367,294	334,373	301,452	268,531

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF DEFERRED INCOME TAXES ASSOCIATED WITH TAXABLE ADVANCES FOR CONSTRUCTION, DOLLARS

TABLE 8-6

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Accumulated Deferred Income Taxes for Advances for Construction, Balance B O	(159,115)	(152,980)	(146,845)	(140,710)	(134,575)	(128,440)	(122,305)	(116,170)	(110,035)
	Timing Difference									
3.	State	137	137	137	137	137	137	137	137	137
2	Federal	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998
4	Total	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135
5	Accumulated Deferred Taxes, Balance End of Year	(152,980)	(146,845)	(140,710)	(134,575)	(128,440)	(122,305)	(116,170)	(110,035)	(103,900)
6	AVERAGE DEFERRED INCOME TAXES FOR ADVANCES FOR CONSTRUCTIO	(156,047)	(149,912)	(143,777)	(137,642)	(131,507)	(125,372)	(119,237)	(113,102)	(106,967)
	State									
	<u>Activity</u>									
7.	Advances Gross-Up - 1992					37	37	37	37	37
8	Advances Gross-Up - 1993					1	1	1	1	1
9	Advances Gross-Up - 1994					93	93	93	93	93
10	Advances Gross-Up - 1995					0	0	0	0	0
11	Advances Gross-Up - 1996					6	6	6	6	6
12.	Advances Gross-Up - 1997					0	0	0	0	0
13						<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>	<u>137</u>
	<u>Ending Balance</u>									
14	Advances Gross-Up - 1992				845	808	771	734	697	660
15	Advances Gross-Up - 1993				10	9	8	7	6	5
16	Advances Gross-Up - 1994				2,309	2,216	2,123	2,030	1,937	1,844
17.	Advances Gross-Up - 1995				0	0	0	0	0	0
18	Advances Gross-Up - 1996				148	142	136	130	124	118
19	Advances Gross-Up - 1997				0	0	0	0	0	0
20					<u>3,312</u>	<u>3,175</u>	<u>3,038</u>	<u>2,901</u>	<u>2,764</u>	<u>2,627</u>
	Federal									
	<u>Activity</u>									
21	Advances Gross-Up - 1987					172	172	172	172	172
22	Advances Gross-Up - 1988					639	639	639	639	639
23	Advances Gross-Up - 1989					1,939	1,939	1,939	1,939	1,939
24	Advances Gross-Up - 1990					208	208	208	208	208
25	Advances Gross-Up - 1991					357	357	357	357	357
26	Advances Gross-Up - 1992					493	493	493	493	493
27.	Advances Gross-Up - 1993					1,156	1,156	1,156	1,156	1,156
28	Advances Gross-Up - 1994					958	958	958	958	958
29	Advances Gross-Up - 1995					0	0	0	0	0
30	Advances Gross-Up - 1996					76	76	76	76	76
31	Advances Gross-Up - 1997					0	0	0	0	0
32						<u>5,998</u>	<u>5,998</u>	<u>5,998</u>	<u>5,998</u>	<u>5,998</u>
	<u>Ending Balance</u>									
33	Advances Gross-Up - 1987				3,104	2,932	2,760	2,588	2,416	2,244
34	Advances Gross-Up - 1988				12,127	11,488	10,849	10,210	9,571	8,932
35	Advances Gross-Up - 1989				38,782	36,843	34,904	32,965	31,026	29,087
36	Advances Gross-Up - 1990				4,354	4,146	3,938	3,730	3,522	3,314
37	Advances Gross-Up - 1991				7,843	7,486	7,129	6,772	6,415	6,058
38	Advances Gross-Up - 1992				11,330	10,837	10,344	9,851	9,358	8,865
39	Advances Gross-Up - 1993				27,746	26,590	25,434	24,278	23,122	21,966
40	Advances Gross-Up - 1994				23,942	22,984	22,026	21,068	20,110	19,152
41	Advances Gross-Up - 1995				0	0	0	0	0	0
42	Advances Gross-Up - 1996				2,035	1,959	1,883	1,807	1,731	1,655
43	Advances Gross-Up - 1997				0	0	0	0	0	0
					<u>131,263</u>	<u>125,265</u>	<u>119,267</u>	<u>113,269</u>	<u>107,271</u>	<u>101,273</u>

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF DEFERRED INCOME TAXES ASSOCIATED WITH TAXABLE CONTRIBUTIONS IN AID OF CONSTRUCTION, DOLLARS

TABLE 8-7

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1.	Accumulated Deferred Income Taxes for Contribution in Aid of Construction, Balan	(228,544)	(193,487)	(158,430)	(125,777)	(94,933)	(69,999)	(45,065)	(29,131)	(19,236)
	Timing Difference									
2.	State	3,061	3,061	3,061	3,061	3,061	3,061	3,055	2,373	2,072
3.	Federal	31,996	31,996	29,592	27,783	21,873	21,873	12,879	7,522	5,493
4.	Total	35,057	35,057	32,653	30,844	24,934	24,934	15,934	9,895	7,565
5.	Accumulated Deferred Taxes, Balance End of Year	(193,487)	(158,430)	(125,777)	(94,933)	(69,999)	(45,065)	(29,131)	(19,236)	(11,671)
6.	AVERAGE DEFERRED INCOME TAXES FOR C.I.A.C.	(211,015)	(175,958)	(142,103)	(110,355)	(82,466)	(57,532)	(37,098)	(24,183)	(15,453)
	State									
	<u>Activity</u>									
7.	CIAC Gross-Up - 1992					688	688	682	0	0
8.	CIAC Gross-Up - 1993					302	302	302	302	1
9.	CIAC Gross-Up - 1994					195	195	195	195	195
10.	CIAC Gross-Up - 1995					127	127	127	127	127
11.	CIAC Gross-Up - 1996					1,749	1,749	1,749	1,749	1,749
12.	CIAC Gross-Up - 1997					0	0	0	0	0
13.						<u>3,061</u>	<u>3,061</u>	<u>3,055</u>	<u>2,373</u>	<u>2,072</u>
	<u>Ending Balance</u>									
14.	CIAC Gross-Up - 1992				2,058	1,370	682	0	0	0
15.	CIAC Gross-Up - 1993				1,209	907	605	303	1	0
16.	CIAC Gross-Up - 1994				979	784	589	394	199	4
17.	CIAC Gross-Up - 1995				760	633	506	379	252	125
18.	CIAC Gross-Up - 1996				12,231	10,482	8,733	6,984	5,235	3,486
19.	CIAC Gross-Up - 1997				0	0	0	0	0	0
20.					<u>17,237</u>	<u>14,176</u>	<u>11,115</u>	<u>8,060</u>	<u>5,687</u>	<u>3,615</u>
	Federal									
	<u>Activity</u>									
21.	CIAC Gross-Up - 1987					0	0	0	0	0
22.	CIAC Gross-Up - 1988					0	0	0	0	0
23.	CIAC Gross-Up - 1989					0	0	0	0	0
24.	CIAC Gross-Up - 1990					4,092	4,092	4,092	1,867	0
25.	CIAC Gross-Up - 1991					9,615	9,615	621	0	0
26.	CIAC Gross-Up - 1992					2,513	2,513	2,513	6	0
27.	CIAC Gross-Up - 1993					160	160	160	156	0
28.	CIAC Gross-Up - 1994					1,255	1,255	1,255	1,255	1,255
29.	CIAC Gross-Up - 1995					463	463	463	463	463
30.	CIAC Gross-Up - 1996					3,775	3,775	3,775	3,775	3,775
31.	CIAC Gross-Up - 1997					0	0	0	0	0
32.						<u>21,873</u>	<u>21,873</u>	<u>12,879</u>	<u>7,522</u>	<u>5,493</u>
	<u>Ending Balance</u>									
33.	CIAC Gross-Up - 1987				0	0	0	0	0	0
34.	CIAC Gross-Up - 1988				0	0	0	0	0	0
35.	CIAC Gross-Up - 1989				0	0	0	0	0	0
36.	CIAC Gross-Up - 1990				14,143	10,051	5,959	1,867	0	0
37.	CIAC Gross-Up - 1991				19,851	10,236	621	0	0	0
38.	CIAC Gross-Up - 1992				7,545	5,032	2,519	6	0	0
39.	CIAC Gross-Up - 1993				636	476	316	156	0	0
40.	CIAC Gross-Up - 1994				6,279	5,024	3,769	2,514	1,259	4
41.	CIAC Gross-Up - 1995				2,843	2,380	1,917	1,454	991	528
42.	CIAC Gross-Up - 1996				26,398	22,623	18,848	15,073	11,298	7,523
43.	CIAC Gross-Up - 1997				0	0	0	0	0	0
44.					<u>77,695</u>	<u>55,822</u>	<u>33,949</u>	<u>21,070</u>	<u>13,548</u>	<u>8,055</u>

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 COMPUTATION OF DEFERRED REVENUES ASSOCIATED WITH TAXABLE CONTRIBUTIONS IN AID OF CONSTRUCTION (C I A C), DOLLARS

TABLE 8-8

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
DEFERRED REVENUES - CONTRIBUTIONS IN AID OF CONSTRUCTION										
1	Accumulated Deferred Revenues, Beginning Of Year Balance	118,199	89,910	79,373	69,934	61,697	54,535	47,374	40,212	33,051
2	Amortization of Deferred Revenues	(11,743)	(10,537)	(9,439)	(8,237)	(7,162)	(6,087)	(5,012)	(3,937)	(2,862)
3	Additional Deferred Revenues	(16,546)	(0)	(0)	0	0	(1,075)	(2,150)	(3,225)	(4,300)
4	Accumulated Deferred Revenues, End Of Year Balance	89,910	79,373	69,934	61,697	54,535	47,374	40,212	33,051	25,889
5	UNAMORTIZED DEFERRED REVENUES, C I A C , AVERAGE FOR YEAR	104,055	84,642	74,653	65,815	58,116	50,955	43,793	36,631	29,470

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 COMPUTATION OF PENSION RESERVE AND DEFERRED TAXES ASSOCIATED WITH DEFERRED PENSION EXPENSE ACCRUAL, DOLLARS

TABLE 8-9

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013

COMPUTATION OF PENSION RESERVE FOR RATE BASE

1	Pension Reserve, Beginning of Year Balance	695,168	521,376	347,584	173,792	0	0	0	0	0
2	Pension Expense	173,792	173,792	173,792	173,792	0	0	0	0	0
3	Less: Pension Plan Funding									
4	Pension Reserve, End of Year Balance	521,376	347,584	173,792	0	0	0	0	0	0
5.	AVERAGE PENSION RESERVE FOR RATE BASE	608,272	434,480	260,688	86,896	0	0	0	0	0

COMPUTATION OF ACCUMULATED DEFERRED FEDERAL INCOME TAXES FROM THE PENSION RESERVE FOR RATE BASE

6.	Federal Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%
7.	ACCUMULATED DEFERRED FEDERAL INCOME TAXES FROM THE PENSION RESERVE FOR RATE BASE	(212,895)	(152,068)	(91,241)	(30,414)	0	0	0	0	0

9 Chapter - Results of Operations, Taxes

Taxes include ad valorem taxes, payroll taxes, and state and federal taxes on income. Taxes for recorded years 2005 through 2009 and estimated years ending December 31, 2012 and 2013 as computed in this chapter are shown in Table 9-1.

9.1 Ad Valorem Taxes

Ad valorem taxes shown in Table 9-1 are tax payments to be made during the calendar year indicated as computed in Table 9-2. This computation is based on the procedure used for water utilities by the Los Angeles County Tax Assessor.

Utility plant figures used in Table 9-2 were developed in Chapter 6. Depreciation reserve figures used were computed in Chapter 7. Advances for construction, contributions in aid of construction, construction work in progress, and materials and supplies figures used in this Table were developed in Chapter 8.

9.2 Payroll Taxes

Payroll taxes include state unemployment insurance, federal unemployment insurance, and federal social security taxes.

9.3 Taxes on Income

State and Federal income taxes at present rates as shown in Table 9-1 were computed as shown in Table 9-3 using tax rates and provisions effective in the years shown.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
TAXES AT PRESENT RATES, DOLLARS

TABLE 9-1

Line Number	Description	Composite Payroll Taxes Tax Rate	Recorded Year					Estimated Year		Test Year	
			2005	2006	2007	2008	2009	2010	2011	2012	2013
TAXES OTHER THAN INCOME											
1	TOTAL CITY AND COUNTY AD VALOREM TAXES		536,273	755,916	806,153	865,670	928,726	964,292	1,056,688	1,093,341	1,135,084
2	F I C A Taxes - OASDI	6.20%	325,097	333,912	350,549	441,723	400,415	472,703	488,790	521,700	531,476
3	F I C A Taxes - HI	1.45%	76,031	78,093	81,984	103,306	93,646	110,552	114,314	122,011	124,297
4	F U I Taxes - On The First \$7,000	0.80%	6,568	8,337	5,080	6,152	5,519	6,944	7,000	7,392	7,392
5	S U I Taxes - On The First \$7,000	6.20%	31,563	35,422	21,590	26,148	23,457	53,816	54,250	57,288	57,288
6	Employment Training Fund (E T F) Taxes	0.00%	0	0	0	0	0	0	0	0	0
7	Subtotal F I C A , F U I , S U I , and E T F Taxes		439,259	455,764	459,203	577,329	523,037	644,015	664,354	708,391	720,453
8	Payroll Taxes Capitalized		(22,495)	(24,070)	(27,263)	(27,964)	(32,069)	(24,988)	(25,777)	(27,486)	(27,954)
9	SUBTOTAL PAYROLL TAXES		416,764	431,694	431,940	549,365	490,968	619,027	638,577	680,905	692,499
TOTAL TAXES OTHER THAN INCOME											
10	TOTAL CITY AND COUNTY AD VALOREM TAXES		536,273	755,916	806,153	865,670	928,726	964,292	1,056,688	1,093,341	1,135,084
11	TOTAL PAYROLL TAX EXPENSE		416,764	431,694	431,940	549,365	490,968	619,027	638,577	680,905	692,499
12	TOTAL TAXES OTHER THAN INCOME		953,037	1,187,610	1,238,093	1,415,036	1,419,694	1,583,319	1,695,265	1,774,246	1,827,583
INCOME TAXES											
13	State Income Tax		1,002,947	1,181,677	1,260,819	992,525	997,381	(781,655)	(614,884)	(674,775)	(781,203)
14	Federal Income Tax		3,610,286	4,317,927	4,568,716	3,478,765	3,591,895	(3,453,498)	(2,170,521)	(2,463,318)	(2,862,779)
15	TOTAL INCOME TAXES		4,613,233	5,499,604	5,829,535	4,471,290	4,589,276	(4,235,153)	(2,785,405)	(3,138,093)	(3,643,982)
16	TOTAL TAX EXPENSE		5,566,270	6,687,214	7,067,628	5,886,326	6,008,970	(2,651,834)	(1,090,140)	(1,363,847)	(1,816,399)

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF PAYROLL TAXES CAPITALIZED

WORKSHEET 9-1A

Line Number		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1.	CAPITALIZED PAYROLL	\$307,354	\$317,813	\$339,212	\$345,568
2.	TOTAL PAYROLL	\$7,931,603	\$8,201,517	\$8,753,732	\$8,917,758
3.	PERCENT OF CAPITALIZED PAYROLL TO TOTAL PAYROLL	3.88%	3.88%	3.88%	3.88%
4.	F.I.C.A. Taxes - OASDI	\$472,703	\$488,790	\$521,700	\$531,476
5.	F.I.C.A. Taxes - HI	\$110,552	\$114,314	\$122,011	\$124,297
6.	F.U.I. Taxes - On The First	\$6,944	\$7,000	\$7,392	\$7,392
7.	S.U.I. Taxes - On The First	\$53,816	\$54,250	\$57,288	\$57,288
8.	Employment Training Fund (E.T.F.) Taxes	\$0	\$0	\$0	\$0
9.	TOTAL PAYROLL TAXES PRIOR TO CAPITALIZED PAYROLL TAXES	\$644,015	\$664,354	\$708,391	\$720,453
10.	PERCENT OF CAPITALIZED PAYROLL TO TOTAL PAYROLL	3.88%	3.88%	3.88%	3.88%
11.	PAYROLL TAXES CAPITALIZED	\$24,988	\$25,777	\$27,486	\$27,954

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF AD VALOREM TAXES, DOLLARS

TABLE 9-2

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Depreciable Utility Plant, Beginning of Year Balance	130,082,629	138,514,082	149,122,535	152,680,278	164,582,414	181,567,267	190,343,953	197,040,513	206,852,233
	Less									
2.	Depreciation Reserve, Beginning of Year Balance	43,017,954	44,277,992	47,175,710	49,691,331	53,168,201	56,737,756	60,893,002	65,909,729	70,034,984
3.	Advances for Construction x .5	299,892	266,168	235,792	223,596	211,400	199,204	187,009	174,813	162,617
4	Contributions in Aid of Construction (Net) A/	12,509,589	14,879,884	14,622,901	16,129,555	17,918,597	17,376,502	16,688,550	15,999,197	15,308,443
	Plus									
5.	Material and Supplies	370,284	319,017	288,103	272,696	228,128	319,977	325,160	333,354	342,355
6.	Land and Land Rights	927,012	993,507	989,558	991,366	993,175	993,175	993,175	993,175	993,175
7	TOTAL TAXABLE PLANT	75,552,490	80,402,561	88,365,793	87,899,858	94,505,519	108,566,956	113,893,727	116,283,302	122,681,719
8	TAX RATE, \$ per \$100	0 82%	0 80%	0 88%	0 95%	0 95%	0.95%	0 95%	0 95%	0 95%
9	AD VALOREM TAXES, FISCAL YEAR	616,192	646,095	781,035	835,912	897,198	1,031,386	1,081,990	1,104,691	1,165,476
10	AD VALOREM TAXES, CALENDAR YEAR	536,273	755,916	806,153	865,670	928,726	964,292	1,056,688	1,093,341	1,135,084

A/ Contributions in Aid of Construction less Amortization Reserve for Contributions in Aid of Construction

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF DEFERRED INCOME TAX EXPENSE AND ACCUMULATED DEFERRED INCOME TAXES, DEPRECIATION TIMING DIFFERENCES, DOLLARS

TABLE 9-3

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
1	5 Yr MACRS Accrual	645,970	630,728	609,637	622,069	580,426	508,776	382,532	304,469	422,817
2	7 Yr MACRS Accrual	0	1,072	4,277	7,421	7,635	18,817	26,581	21,754	22,602
3	20 Yr MACRS Accrual	1,040,002	1,040,013	1,020,330	973,483	941,140	869,937	732,494	574,302	407,211
4	25 Yr MACRS Accrual	1,694,355	1,961,754	2,190,981	2,331,383	2,632,751	2,931,663	3,013,929	3,109,209	3,653,578
5	Pe-'82 Vintage Plant	890,458	910,116	886,792	949,753	1,048,317	1,048,316	1,048,317	1,048,316	0
6	Accelerated Cost Recovery Method (ACRS), 1982 and Later Assets	0	0	0	0	0	0	0	0	0
7	Bonus Depreciation - 25 Year Asset Vintage	974,814	0	0	4,236,042	5,674,625	4,113,292	6,194,000	4,764,000	0
8	Bonus Depreciation - 7 Year Asset Vintage	0	0	0	13,491	2,860	90,659	30,000	15,000	0
9	Bonus Depreciation - 5 Year Asset Vintage	0	0	0	511,184	327,420	399,500	770,000	375,000	0
10	Total Tax Depreciation	5,245,599	4,543,683	4,712,017	9,644,826	11,215,174	9,980,959	12,197,853	10,212,050	4,506,208
11	Book Depreciation	3,109,373	3,517,517	4,916,913	4,855,626	5,438,426	5,963,575	6,312,283	6,132,650	6,622,049
12	Timing Difference	2,136,226	1,026,166	(204,896)	4,789,200	5,776,748	4,017,384	5,885,570	4,079,400	(2,115,841)
13	Federal Tax Rate	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%
14	Increase (Decrease) in Deferred Taxes	747,679	359,158	(71,714)	1,676,220	2,021,862	1,406,085	2,059,950	1,427,790	(740,544)
15	Accumulated Deferred Income Taxes - Depreciation Timing Difference	8,578,009	9,325,688	9,684,847	9,613,133	11,289,353	13,311,215	14,717,299	16,777,249	18,205,039
16	Average Accumulated Deferred Income Taxes - Depreciation Timing Differences	8,951,849	9,505,267	9,648,990	10,451,243	12,300,284	14,014,257	15,747,274	17,491,144	17,834,767

DEFERRED INCOME TAXES		2008	2009	2010	2011	2012	2013
17	Deferred Taxes-Dep	10,451,243	12,300,284	14,014,257	15,747,274	17,491,144	17,834,767
18	Pension reserve	(30,414)	0	0	0	0	0
19	CIAC	(110,355)	(82,466)	(57,532)	(37,098)	(24,183)	(15,453)
20	Advances	(137,642)	(131,507)	(125,372)	(119,237)	(113,102)	(106,967)
21		10,172,832	12,086,311	13,831,353	15,590,939	17,353,858	17,712,346
22	Change		1,913,479	1,745,042	1,759,586	1,762,919	358,488

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF TAXES ON INCOME AT PRESENT WATER RATES, DOLLARS

TABLE 9-4

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
STATE INCOME TAXES										
1	Water Service Revenues	44,675,350	47,447,453	50,944,243	50,317,284	52,464,646	52,890,864	53,856,510	53,647,685	53,443,077
2	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
3	Other Water Revenues	195,271	198,124	232,946	293,172	245,439	199,723	199,723	360,968	361,184
4	Amortization of Deferred Revenues	11,743	10,537	9,439	8,237	7,162	6,087	5,012	3,937	2,862
5	Total Taxable Operating Revenues	45,522,811	48,330,612	51,943,180	51,391,064	53,522,052	53,889,703	54,868,751	54,816,964	54,608,427
DEDUCTIONS										
6	Operating Expenses, Less Franchise Expense, Uncollectibles, PUC Reimb Fee, & CR	30,526,760	30,036,443	31,175,983	31,633,064	32,579,976	51,556,347	50,130,301	50,624,472	50,703,413
7	CR Reimbursements	(3,389,093)	(2,959,433)	(3,036,564)	(1,329,755)	(800,340)	(208,399)	(206,514)	(98,857)	(98,475)
8	Franchise Expense	577,561	615,436	625,335	660,503	601,149	687,581	700,135	697,420	694,760
9	Uncollectibles	83,051	93,274	39,853	71,659	49,313	74,047	74,205	75,107	74,820
10	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
11	Tax Depreciation, State	3,105,314	3,513,458	4,912,854	4,851,567	5,434,367	5,959,516	6,308,224	6,128,591	6,617,990
12	Taxes Other than Income	953,037	1,187,610	1,238,093	1,415,036	1,419,694	1,583,319	1,695,265	1,774,246	1,827,583
13	Interest Expense	1,714,804	1,836,565	2,003,043	2,123,591	2,185,127	2,321,141	2,349,893	2,471,660	2,847,608
14	SUBTOTAL, DEDUCTIONS	34,211,882	34,997,851	37,715,149	40,198,035	42,274,091	62,766,580	61,859,015	62,477,013	63,469,004
15	TAXABLE INCOME, CCFT	11,310,930	13,332,761	14,228,031	11,193,029	11,247,961	(8,876,877)	(6,990,264)	(7,660,049)	(8,860,577)
16	CCFT Rate	8 84%	8 84%	8 84%	8 84%	8 84%	8 84%	8 84%	8 84%	8 84%
17	CURRENT CALIFORNIA CORP FRANCHISE TAX	999,886	1,178,616	1,257,758	989,464	994,320	(784,716)	(617,939)	(677,148)	(783,275)
18	Plus Deferred Tax Expense, Taxable Contributions	3,061	3,061	3,061	3,061	3,061	3,061	3,055	2,373	2,072
19	TOTAL STATE INCOME TAX EXPENSE	1,002,947	1,181,677	1,260,819	992,525	997,381	(781,655)	(614,884)	(674,775)	(781,203)
FEDERAL INCOME TAX										
20	Taxable Income, CCFT	11,310,930	13,332,761	14,228,031	11,193,029	11,247,961	(8,876,877)	(6,990,264)	(7,660,049)	(8,860,577)
21	Plus Addtl Tax Depreciation	4,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059	4,059
22	Less Prior Year CCFT	999,886	999,886	1,178,616	1,257,758	989,464	994,320	(784,716)	(617,939)	(677,148)
23	TAXABLE INCOME, FEDERAL	10,315,103	12,336,934	13,053,474	9,939,330	10,262,556	(9,867,138)	(6,201,489)	(7,038,051)	(8,179,370)
24	Federal Income Tax Rate	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%	35 00%
25	Federal Income Tax	3,610,286	4,317,927	4,568,716	3,478,765	3,591,895	(3,453,498)	(2,170,521)	(2,463,318)	(2,862,779)
26	Less Investment Tax Credits	0	0	0	0	0	0	0	0	0
27	CURRENT FEDERAL INCOME TAX	3,610,286	4,317,927	4,568,716	3,478,765	3,591,895	(3,453,498)	(2,170,521)	(2,463,318)	(2,862,779)
28	Plus Deferred Tax Expense, Taxable Contributions	0	0	0	0	0	0	0	0	0
29	Plus Deferred Tax Expense, Depreciation Timing Differences	0	0	0	0	0	0	0	0	0
30	Plus Deferred Tax Expense, Deferred Pension Expense	0	0	0	0	0	0	0	0	0
31	DEFERRED FEDERAL INCOME TAX EXPENSE	0	0	0	0	0	0	0	0	0
32	TOTAL FEDERAL INCOME TAX EXPENSE	3,610,286	4,317,927	4,568,716	3,478,765	3,591,895	(3,453,498)	(2,170,521)	(2,463,318)	(2,862,779)
33	TOTAL INCOME TAX EXPENSE	4,613,233	5,499,604	5,829,535	4,471,290	4,589,276	(4,235,153)	(2,785,405)	(3,138,093)	(3,643,982)

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
STATE TAX DEPRECIATION

TABLE 9-5

		<u>State Tax Depreciation</u>
1.	Advances - Utility Plant 1992	523
2	Advances - Utility Plant 1993	9
3.	Advances - Utility Plant 1994	254
4	Advances - Utility Plant 1996	75
5	Advances - Utility Plant 1997	0
6.	CIAC (Contrib) Gross-Up - 1992	688
7.	CIAC (Contrib) Gross-Up - 1993	302
8	CIAC (Contrib) Gross-Up - 1994	195
9.	CIAC (Contrib) Gross-Up - 1995	127
10.	CIAC (Contrib) Gross-Up - 1996	1,749
11.	CIAC (Contrib) Gross-Up - 1997	0
12	Advances _ Gross-up - 1992	37
13	Advances _ Gross-up - 1993	1
14	Advances _ Gross-up - 1994	93
15	Advances _ Gross-up - 1995	0
16	Advances _ Gross-up - 1996	6
17	Advances _ Gross-up - 1997	0
		<hr/> <u>4,059</u>

10 Chapter - Summary of Earnings

Operating revenues, operating expenses, and rate base computed in previous chapters are brought together in Table 10-1 for computation of operating income and rate of return for each year. Revenues required to provide a fair return on rate base for estimated years 2012 and 2013 are developed in the following chapter.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
SUMMARY OF EARNINGS AT PRESENT RATES, DOLLARS

TABLE 10-1

Line Number	Description	Recorded Year					Estimated Year		Test Year	
		2005	2006	2007	2008	2009	2010	2011	2012	2013
SUMMARY OF EARNINGS AT PRESENT RATES										
<u>OPERATING REVENUES, PRESENT RATES</u>										
1	Water Service Revenues, Less P U C Reimbursement Fee	44,675,350	47,447,453	50,944,243	50,317,284	52,464,646	52,890,864	53,856,510	53,647,685	53,443,077
2	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
3	Other Water Revenues	195,271	198,124	232,946	293,172	245,439	199,723	199,723	360,968	361,184
4	Amortization Of Deferred Revenues	11,743	10,537	9,439	8,237	7,162	6,087	5,012	3,937	2,862
5	TOTAL OPERATING REVENUES, PRESENT RATES	45,522,811	48,330,612	51,943,180	51,391,064	53,522,052	53,889,703	54,866,751	54,816,964	54,608,427
<u>OPERATION EXPENSES</u>										
6	Payroll Expense	5,403,072	5,556,608	5,855,440	7,091,630	6,361,682	7,624,248	7,883,703	8,414,520	8,572,190
7	Volume Related Expenses	14,180,680	15,490,269	16,672,183	15,208,442	18,801,077	30,358,588	29,299,004	29,311,617	28,854,770
8	CR Reimbursements	(3,389,093)	(2,959,433)	(3,036,564)	(1,329,755)	(800,340)	(208,399)	(206,514)	(98,857)	(98,475)
9	Franchise Expense	577,561	615,436	625,335	660,503	601,149	687,581	700,135	697,420	694,760
10	Uncollectibles	83,051	93,274	39,853	71,659	49,313	74,047	74,205	75,107	74,820
11	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
12	Other Operating Expenses	10,943,008	8,989,566	8,648,360	9,332,992	7,417,218	13,573,510	12,947,594	12,898,335	13,276,453
13	Subtotal O & M and A & G Operating Expenses	28,438,727	28,460,218	29,561,159	31,807,842	33,234,903	52,902,605	51,505,633	52,102,516	52,175,822
14	Depreciation Expense	3,109,373	3,517,517	4,916,913	4,855,626	5,438,426	5,963,575	6,312,283	6,132,650	6,622,049
15	Payroll Taxes	416,764	431,694	431,940	549,365	490,968	619,027	638,577	680,905	692,499
16	Ad Valorem Taxes	536,273	755,916	806,153	865,670	928,726	964,292	1,056,688	1,093,341	1,135,084
17	Current Income Taxes	4,613,233	5,499,604	5,829,535	4,471,290	4,589,276	(4,235,153)	(2,785,405)	(3,138,093)	(3,643,982)
18	TOTAL OPERATION EXPENSES	37,114,370	38,664,949	41,545,700	42,549,793	44,682,299	56,214,345	56,727,776	56,871,319	56,981,472
19	Net Operating Income	8,408,442	9,665,663	10,397,480	8,841,271	8,839,753	(2,324,642)	(1,859,025)	(2,054,355)	(2,373,045)
20	Rate Base	67,511,962	72,305,723	78,859,948	83,605,930	86,028,636	91,383,506	92,515,488	97,309,438	112,110,569
21	Rate of Return, Percent	12.45%	13.37%	13.18%	10.57%	10.28%	-2.54%	-2.01%	-2.11%	-2.12%
<u>FRANCHISE EXPENSE, UNCOLLECTIBLES, & P U C REIMBURSEMENT FEE, PRESENT RATES</u>										
22	Franchise Expense	577,561	615,436	625,335	660,503	601,149	687,581	700,135	697,420	694,760
23	Uncollectibles	83,051	93,274	39,853	71,659	49,313	74,047	74,205	75,107	74,820
24	P U C Reimbursement Fee	640,448	674,498	756,552	772,371	804,805	793,029	807,506	804,374	801,304
25	Franchise, Uncollectibles & P U C Reimb Fee, Present Rates	1,301,060	1,383,208	1,421,740	1,504,533	1,455,267	1,554,657	1,581,846	1,576,901	1,570,884
<u>TAXES OTHER THAN INCOME TAXES, PRESENT RATES</u>										
26	Payroll Taxes	416,764	431,694	431,940	549,365	490,968	619,027	638,577	680,905	692,499
27	Ad Valorem Taxes	536,273	755,916	806,153	865,670	928,726	964,292	1,056,688	1,093,341	1,135,084
28	Taxes Other Than Income Taxes, Present Rates	953,037	1,187,610	1,238,093	1,415,036	1,419,694	1,583,319	1,695,265	1,774,246	1,827,583

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
SUMMARY OF EARNINGS AT PROPOSED RATES, DOLLARS

TABLE 10-2

Line Number	Description	Test Year	
		2012 At 2012 Proposed Rates	2013 At 2012 Proposed Rates

SUMMARY OF EARNINGS AT PROPOSED RATES

OPERATING REVENUES, PRESENT RATES

1	Water Service Revenues, Less P U C Reimb Fee	72,882,262	72,581,706
2.	P. U C Reimbursement Fee 1 50%	1,093,234	1,088,726
3	Other Water Revenues	360,968	361,184
4.	Amortization Of Deferred Revenues	3,937	2,862
5.	TOTAL OPERATING REVENUES, PRESENT RATES	74,340,401	74,034,478

OPERATION EXPENSES

6	Payroll Expense	8,414,520	8,572,190
7.	Volume Related Expenses	29,311,617	28,854,770
8	CR Reimbursements	(98,857)	(98,475)
9	Other Operating Expenses	12,898,335	13,276,453
10	Depreciation Expense	6,132,650	6,622,049
11	Payroll Taxes	680,905	692,499
12	Ad Valorem Taxes	1,093,341	1,135,084
13	Income Tax Expense	5,173,072	4,038,540
14	P U C. Reimbursement Fee	1,093,234	1,088,726
15	Franchise Expense 1 30%	946,143	942,235
16	Uncollectibles 0 14%	102,035	102,124
17	TOTAL OPERATION EXPENSES	65,746,995	65,226,194

18	Net Operating Income	8,593,406	8,808,284
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19	Rate Base	97,309,438	112,110,569
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20	Rate of Return, Percent	8 83%	7 86%
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21	State income Tax	\$1,001,108
22	Federal income tax	\$4,171,964
23		\$5,173,072

Line Number	Description	Test Year
		2013 At 2012 Proposed Rates

STATE INCOME TAXES

1	Water Service Revenues	72,581,706
2	P U C Reimbursement Fee	1,088,726
3	Other Water Revenues	361,184
4	Amortization of Deferred Revenues	2,862
5	Total Taxable Operating Revenues	74,034,478

DEDUCTIONS

6	Operating Expenses, Less Franchise Expense, Uncollectibles, PUC Reimbursement Fee, & CR Reimbursement	50,703,413
7	CR Reimbursements	(98,475)
8	Franchise Expense	942,235
9	Uncollectibles	102,124
10	P U C Reimbursement Fee	1,088,726
11	Tax Depreciation, State	6,617,990
12	Taxes Other than Income	1,827,583
13	Interest Expense	2,847,608
14	SUBTOTAL, DEDUCTIONS	64,031,204

15	TAXABLE INCOME, CCFT	10,003,274
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16	CCFT Rate	8 84%
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17	CURRENT CALIFORNIA CORP FRANCHISE TAX	884,289
18	Plus Deferred Tax Expense, Taxable Contributions	2,072

19.	TOTAL STATE INCOME TAX EXPENSE	886,361
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FEDERAL INCOME TAX

20	Taxable Income, CCFT	10,003,274
21.	Plus Add'l Tax Depreciation	4,059

22	Less Prior Year CCFT	1,001,108
23	TAXABLE INCOME, FEDERAL	9,006,226

24	Federal Income Tax Rate	35 00%
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25	Federal Income Tax	3,152,179
26	Less Investment Tax Credits	0
27	CURRENT FEDERAL INCOME TAX	3,152,179

28	Plus Deferred Tax Expense, Taxable Contributions	0
29	Plus Deferred Tax Expense, Depreciation Timing Differences	0
30	Plus Deferred Tax Expense, Deferred Pension Expense	0
31	DEFERRED FEDERAL INCOME TAX EXPENSE	0

32	TOTAL FEDERAL INCOME TAX EXPENSE	3,152,179
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33	TOTAL INCOME TAX EXPENSE	4,038,540
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11 Chapter - Revenue Requirements

In this chapter revenue requirements are calculated which are intended to provide a fair rate of return on rate base computed in Chapter 8.

11.1 Rate of Return

Rate of return was determined for Suburban in Decision D.10-10-035 that resulted from the CPUC's recent consolidated cost of capital proceeding:

15. Suburban Water Systems' cost of capital for its base year 2010 operations is as follows:

Suburban Water Systems Adopted Base Year 2010-A.09-05-005			
	Ratio	Cost	Weighted Cost
Debt	36%	7.05%	2.54%
Preferred	4%	4.24%	0.17%
Equity	60%	10.20%	6.12%
	100%		8.83%

16. Suburban Water Systems must file a Tier 1 advice letter to implement the rate changes to reflect the change in the 2010 cost of capital of 8.83%.

17. Suburban Water Systems must file a new cost of capital application on or before May 1, 2012 for a new 2013 base year.

11.2 Revenue Requirements

Revenues required to provide the above-developed return on rate base with normal water usage for estimated years December 31, 2012 and 2013 have been calculated as shown in Table 11-1.

The computation of earnings at proposed rates with normalized water usage for years December 31, 2012 and 2013 is shown in Table 11-2.

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF REVENUE REQUIREMENTS, DOLLARS

TABLE 11-1

Line Number	REVENUE REQUIREMENTS	Attrition		
		2012	2013	2014
1	Weighted Average Rate Base	97,309,438	112,110,569	
2.	Rate of Return Requested	8.83%	8.83%	
3	Utility Operating Income Required	8,592,423	9,899,363	
4.	Utility Operating Income At Present Rates	(2,054,355)	(2,373,045)	
5	Gross Revenues Additional Required	10,646,779	12,272,408	
6	Net-To-Gross Multiplier	1.80661	1.80661	
	Gross Revenues			
7	Additional Required	19,234,577	22,171,456	24,144,655
8	At Present Rates	53,647,685	53,443,077	53,443,077
9	TOTAL	72,882,262	75,614,533	77,587,732
10	Percent Increase Cumulative	35.85%	41.49%	45.18%
11	Percent Increase Annually	35.85%	4.15%	2.61%
12.	PUC Reimbursement Fee 1.50%	\$1,093,234	\$1,134,218	\$1,163,816
	<u>Net To Gross Multiplier.</u>			
13.	Uncollectible Accounts	0.14%	0.14%	
14	State Corporate Franchise Tax	8.84%	8.84%	
15.	Federal Income Tax	35.00%	35.00%	
16	Net-To-Gross Multiplier	1.80661	1.80661	
17	PUC Reimbursement Rate	1.50%	1.50%	
18.				
19				
20				
21.				

Attrition Calculations for 2014	
Financials	
2014 Proposed Rate of Return	8.83%
2013 Proposed Rate of Return	8.83%
Difference	0.00%
Operational	
2013 Rate of Return at 2012 Proposed Rates	7.857%
2012 Rate of Return at 2012 Proposed Rates	8.831%
Difference	0.974%
Total Attrition	<u>0.974%</u>
Net to Gross Multiplier	1.80661
2013 Rate Base	\$ 112,110,569
2014 Attrition = Total Attrition X 2013 Rate Base X N T G. Escalation Year 2014 Expense Increase	\$ 1,973,200
Operating Revenues for 2014 = (2013 Operating Revenue + 2014 Attrition)	
Operating Revenue for 2013	\$75,978,579
Operating Revenue for 2014	\$77,951,778
Total Increase from 2013 to 2014	2.60%

Operating Revenues	2013	2014	Increase
Water	\$75,614,533	\$77,587,732	2.61%
Other Revenues	\$361,184	\$361,184	
Deferred	\$2,862	\$2,862	
	<u>\$75,978,579</u>	<u>\$77,951,778</u>	

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
SUMMARY OF EARNINGS AT PROPOSED RATES, DOLLARS

TABLE 11-2

Line Number	Description	Estimated Test Year 2012 (1)	Estimated Test Year 2013 (2)
SUMMARY OF EARNINGS AT PROPOSED RATES			
<u>OPERATING REVENUES, PROPOSED RATES</u>			
1	Water Service Revenues, Excludes P U C Reimbursement Fee	\$72,882,262	\$75,614,533
2	P U C Reimbursement Fee	\$1,093,234	1,134,218
3	Other Water Revenues	\$360,968	\$361,184
4	Amortization Of Deferred Revenues	\$3,937	\$2,862
5	TOTAL OPERATING REVENUES	<u>\$74,340,401</u>	<u>\$77,112,797</u>
<u>OPERATION EXPENSES</u>			
6	Payroll Expense	\$8,414,520	\$8,572,190
7	Volume Related Expenses	\$29,311,617	\$28,854,770
8	CR Reimbursements	(\$98,857)	(\$98,475)
9	Other Operating Expenses	\$12,898,335	\$13,276,453
10	Depreciation Expense	\$6,132,650	\$6,622,049
11	Payroll Taxes	\$680,905	\$692,499
12	Ad Valorem Taxes	\$1,093,341	\$1,135,084
13	Income Tax Expense	\$5,173,072	\$5,936,194
14	P U C Reimbursement Fee	\$1,093,234	\$1,134,218
15	Franchise Expense	\$946,143	981,613
16	Uncollectibles	\$102,035	\$105,860
17	TOTAL OPERATION EXPENSES	<u>\$65,746,995</u>	<u>\$67,212,455</u>
18	NET OPERATING INCOME	<u>\$8,593,406</u>	<u>\$9,900,342</u>
19.	RATE BASE	<u>\$97,309,438</u>	<u>\$112,110,569</u>
20	RETURN ON RATE BASE, PERCENT	<u>8.83%</u>	<u>8.83%</u>
21		<u>2012</u>	<u>2013</u>
22.	State income Tax	\$1,001,108	\$1,150,566
22.	Federal income tax	\$4,171,964	\$4,785,628
23		<u>\$5,173,072</u>	<u>5,936,194</u>

12 Chapter - Rates

The increased rates to provide revenues required as computed in Chapter 11 are consistent with the two-tier inclining block rate structure approved for Suburban in I.07-01-022. We recommend continuing that same rate structure. Following is a discussion about how those rates were designed.

12.1 Rate Design Re: Service Charges Vs. Quantity Charges

The computation of proposed usage rates to recover the usage charge revenue requirement computed in Table 12-2 is shown in Table 12-3 with separate rates for each service area.

First of all, service charge type rates were designed in accordance with the California Urban Water Conservation Council's (CUWCC) Best Management Practice (BMP) 11. To encourage conservation, BMP 11 suggested a maximum 30 percent threshold for recovery of revenue requirement from service charge revenue.

Next on Table 12-2 we have to consider the difference in the computed water production costs computed and the incremental zone rate differences intended to recover additional pumping expenses from customers at higher elevations. The first step in the calculation of proposed zone 1 usage rates is the computation of revenues to be generated by the difference between service area rates to reflect differences in production costs as discussed above. These revenues were subtracted from the zone 1 revenue requirement with the result divided by total water sales to compute the proposed zone 1 usage rate.

The third step was to determine revenues to be generated by incremental zone rates for rate zones 2 and 3, which represent service at higher elevations. In this computation, incremental zone revenues were increased at the same percentage as proposed for total general service rates.

The design of proposed service charge rates is shown in Table 12-4. The first step in this computation was to subtract fire service charges from the 30 percent of total costs computed in Table 12-2. That amount is then divided by the total number of meter equivalents to determine the average service charge rate for a 5/8 x 3/4 inch meter. Average service charges for other meter sizes were computed by multiplying the service charge for the 5/8 x 3/4 inch meter by the capacity ratio for each meter size with the 5/8 x 3/4 inch meter assigned a meter capacity ratio of 1. Capacity ratios used were those provided to all water utilities by the Commission Water Branch on January 18, 1991.

12.2 The Necessity To Maintain The Current Residential And Non-Residential Rate Designs And WRAM

On April 24, 2007 Suburban and the Division of Ratepayer Advocates filed a settlement agreement with the Commission ("Settlement") which was approved by Decision 08-02-036. The Settlement established a trial program consisting of an increasing block rate design for residential customers, a uniform rate design for non-residential customers and a related Water Revenue Adjustment Mechanism ("WRAM").

In this proceeding, Suburban proposes that the design of the rate structure, the customer classes to which the rate structures apply, and the WRAM provided for in that earlier approved Settlement be kept in place during the test years. D.08-02-036, Ordering Paragraph 3, determined that "The Suburban WRAM best meets Suburban's unique circumstances." In addition, Suburban strongly recommends that the current uniform rate structure for Non-Residential customers be retained. The current combination of inclining block residential rate structure and uniform non-residential rate structure has proven to be highly effective in reducing water demand. The twelve-month moving average residential water demand has declined dramatically, 12% in the San Jose Hills Service Area and an equivalent amount in the Whittier/La Mirada Service Area, since conservation rates were introduced on October 1, 2008.

Regarding non-residential customers, some of those users are highly water intensive, such as juice manufacturers, where water is a large component of their cost structure. Again, given the current state of the economy, Suburban strongly recommends that for purposes of this proceeding that the trial program of inclining block rates not be expanded beyond the current residential customer class.

12.3 Rate Design Re: Residential Customers

The current rate design for residential customers includes two blocks with the break points between blocks set based on historic consumption patterns by meter size and zones. The upper level of Block 1 is set at the midpoint between average monthly (annual) consumption and average summer consumption. Block 2 is for all usage beyond the top of Block 1. A two-block rate design was selected because the difference between summer and winter usage is not significant enough to make a third block necessary or meaningful. Seasonality has been considered in the calculation of the usage breakpoints for the various meter sizes.

The residential rate design also assigns differing usage breakpoints for the blocks for different meter sizes (with the exception of 5/8-inch and 3/4-inch meters, which have the same break points). This two-tier rate structure with break points by meter size, we are able to minimize the rate impact on large households. This is particularly relevant for larger meters that serve multi-unit residential buildings, which often house low-income tenants. Although Suburban does not track multi-unit residential buildings separately, these buildings tend to have larger meters. This helps to prevent customers with larger meters that serve multi-unit residential buildings from

being disproportionately affected by moving too quickly to the second block and thus facing inordinately high conservation rates in the second block.

This residential rate design maintains the same breakpoints by meter size across the three zones in each service area (i.e., breakpoints are the same for every 5/8-inch meter whether it is located in Zone 1 or Zone 2 or Zone 3). We have also maintained the same unit rates across all meter sizes within an individual zone (i.e. every customer in Block 1 in Zone 2 pays the same rate, which is different from that paid in Zones 1 or 3).

Depending on the service area, San Jose Hills and Whittier/La Mirada, the Block 1 price provides a 2% - 2.5% discount from the authorized single quantity rate. The Block 2 rate has been set to encourage water conservation, taking into account the consumption patterns of each meter size, and with the goal of achieving revenue neutrality as compared with the revenue that would have been collected using the single quantity rate. The rates for Block 2 were set at 8% to 14% above the Block 1 rate.

12.4 Rate Design Re: Non-Residential Customers

Suburban recommends that the current uniform rate structure for non-residential customers be maintained for the reasons previously stated.

12.5 Rate Design Re: Fire Service Charges

The design of proposed fire service charges is shown on Table 12-5. In these computations, private fire service revenues in total were increased the same percentage as general service revenues.

12.6 Proposed Rates

Proposed rates, as computed above, are shown in simplified form in Table 12-6.

12.7 Revenue at Proposed Rates

Revenues at proposed rates are shown in Table 12-7.

12.8 Revenue Comparisons

Comparisons of revenues at present and proposed rates by customer class are shown in Table 12-8.

Differences shown in the revenue comparisons result from differences in the present San Jose Hills and Whittier/La Mirada Service Area rates, as well as from different usage patterns by the different customer classes.

12.9 Bill Comparisons - Non-Residential Customers

Shown in Tables 12-10 through 12-19 are non-residential bill comparisons for several meter sizes and various usages with proposed rates as compared to present rates.

12.10 Bill Comparisons - Residential Customers

Shown in Tables 12-22 through 12-27 are residential customer bill comparisons for several meter sizes and various usages with proposed rates as compared to present rates.

12.11 Water Revenue Adjustment Mechanism (WRAM)

Proposed rates include a Water Revenue Adjustment Mechanism (WRAM) based on the WRAM established for California-American Water's Monterey District. The selection of this style WRAM is driven by Suburban's most recent GRC decision, which specified that this type of WRAM would be used (D.06-08-017, p. 11).

12.12 Low Income Ratepayer Assistance Program (LIRA)

Decision 08-02-032 also approved the low-income ratepayer assistance program memorialized in an April 24, 2007 Settlement between Suburban and the Division of Ratepayer Advocates. That LIRA program has been implemented.

The Low Income Ratepayer Assistance Settlement provides that the LIRA program will provide low income assistance to all eligible residential customers with 5/8" x 3/4" and 3/4 " metered service who meet the income level for the California Alternate Rates For Energy (CARE) Program.

Eligible customers will receive a flat monthly credit of \$6.50. This amount was chosen because it represents approximately 15 percent of the average monthly customer bill. Credits will be adjusted only during general rate case proceedings if necessary. Non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers will receive a flat monthly credit of \$20.00.

Suburban funds the LIRA program with a monthly volumetric surcharge on every unit of water sold. The volumetric surcharge is \$.031 per

hundred cubic feet (Ccf) of water billed per month. Differences between amounts collected and disbursed are recorded in a balancing account.

12.13 Fire Flow Testing Fee

Suburban requests a Fire Flow Testing Fee of \$212.00 per test. This fee will apply to tests performed on distribution systems in the entire territory served by Suburban. Currently Suburban does not charge a fee for performing fire-flow tests. Consequently, the cost of performing the service is passed on to the ratepayers. Those who request a fire-flow test should pay the cost of performing the test. A similar charge has been approved for California Water Service (Cal Water Advice Letter No. 1960-A)

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COST OF SERVICE CALCULATION

TABLE 12-2

		TEST YEAR	
		2012	2013
1.	Operating Revenues - Present Rates	\$54,012,590	\$53,807,123
2.	Operating Expenses	\$56,066,945	\$56,180,168
3.	Net Operating Income	(\$2,054,355)	(\$2,373,045)
4.	Rate Base	\$97,309,438	\$112,110,569
5.	Rate of Return, Percent	-2.11%	-2.12%
6.	Rate Base	\$97,309,438	\$112,110,569
7.	Rate of Return Requested	8.83%	8.83%
8.	Utility Operating Income Required	\$8,592,423	\$9,899,363
9.	Utility Operating Income At Present Rates	(\$2,054,355)	(\$2,373,045)
10.	Additional	\$10,646,779	\$12,272,408
11.	Net-To-Gross Multiplier	1.80661	1.80661
12.	Gross Revenues Additional Required	\$19,234,577	\$22,171,456
13.	Gross Revenues At Present Rates	\$53,647,685	\$53,443,077
14.	TOTAL REVENUES AT PROPOSED RATES	\$72,882,262	\$75,614,533
15.	Percent Increase, Cumulative	35.85%	41.49%
16.	Percent Increase Annually	35.85%	4.15%
17.	TOTAL REVENUES AT PROPOSED RATES	\$72,882,262	\$75,614,533
18.	To Be Recovered Through Service Charges (a)	30.00%	30.00%
19.	To Be Recovered Through Usage Charges	70.00%	70.00%
20.		100.00%	100.00%
		\$21,864,679	\$22,684,360
		\$51,017,583	\$52,930,173
		\$72,882,262	\$75,614,533
	Fixed Costs Recovered from Private Fire Service & Hydrants:		
	<u>Private Fire Protection Service (Schedule No. 4)</u>		
21.	Present Rate Revenues	\$852,536	\$1,181,378
22.	Proposed Percentage Rate Increase	35.85%	4.15%
23.	Proposed Revenue Increase	\$305,634	\$49,047
24.	Proposed Rate Revenues	\$1,158,171	\$1,230,424
	<u>Fire Hydrant Service on Private Property (Schedule No. 4A)</u>		
25.	Present Rate Revenues	\$18,125	\$25,782
26.	Proposed Percentage Rate Increase	35.85%	4.15%
27.	Proposed Revenue Increase	\$6,498	\$1,070
28.	Proposed Rate Revenues	\$24,623	\$26,852
29.	Total Proposed Rate Fire Service Revenues (b)	\$1,182,794	\$1,257,277
30.	Balance of Fixed Costs Recovered Through Service Charges (a) - (b) =	\$20,681,885	\$21,427,083
31.	Total Revenue Required - Usage Charges	\$51,017,583	\$52,930,173
	Less:		
32.	Present Rate Tariff Area Increment Revenues	\$1,122,432	\$1,513,748
33.	Proposed Percentage Rate Increase	35.85%	4.15%
34.	Proposed Tariff Area Increment Revenue Increase	\$402,392	\$62,845
35.	Proposed Rate Tariff Area Increment Revenues	\$1,524,823	\$1,576,594
36.	Balance Revenue Required, Tariff Area 1 Rate	\$49,492,760	\$51,353,579

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COST OF SERVICE CALCULATION

TABLE 12-3

	TEST YEAR					
	2012			2013		
	Total Company	San Jose Hills Service Area	Whit /LaMir Service Area	Total Company	San Jose Hills Service Area	Whit /LaMir Service Area
1 Source Of Supply Expense, San Jose Hills Service Area, Dollars, Less CR Reimbursements		\$15,734,819			\$15,522,369	
2 Water Sales, San Jose Hills Service Area, Ccf		12,058,196			11,934,863	
3 Average Production Cost, San Jose Hills Service Area, \$/Ccf		\$1 305			\$1 301	
4 Source Of Supply Expense, Whittier/La Mirada Service Area, Dollars			\$10,570,164			\$10,347,028
5 Water Sales, Whittier/La Mirada Service Area, Ccf			9,303,861			9,278,708
6 Average Production Cost, Whittier/La Mirada Service Area, \$/Ccf			\$1 136			\$1 115
7 Average Production Cost, San Jose Hills Service Area exceeds Whittier/La Mirada Service Area, \$/Ccf	\$0 169			\$0 186		
8 Revenue Required, Tariff Area 1 Rate	\$49,492,760			\$51,353,579		
9 San Jose Hills Service Area, Ccf		12,058,196			11,934,863	
10 Additional Source Of Supply Cost, San Jose Hills Service Area, \$/Ccf		\$0 169			\$0 186	
11 Additional Source Of Supply Cost, San Jose Hills Service Area, Dollars	\$2,037,835	\$2,037,835		\$2,219,885	\$2,219,885	
12 Balance Revenue Required, Tariff Area 1 Rate	\$47,454,925			\$49,133,694		
13 Total Water Sales, Ccf	21,362,057	12,058,196	9,303,861	21,213,571	11,934,863	9,278,708
14 Computed Tariff Area 1 Usage Rate, Dollars per Ccf	\$2 221	\$2 390	\$2 221	\$2 316	\$2 502	\$2 316
15 Proposed Tariff Area 1 Usage Rate, Dollars per Ccf		\$2 390	\$2 221		\$2 502	\$2 316
16 Proposed Tariff Area 1 Rate Revenues	\$49,492,760	\$28,824,618	\$20,668,142	\$51,353,579	\$29,862,751	\$21,490,828
17 Tariff Area 2 Water Sales, Ccf	13,654,918	5,345,155	8,309,763	13,576,875	5,291,073	8,285,802
18 Tariff Area 2 Rate Increment, Present Rates, \$/Ccf		\$0 064	\$0 096		\$0 087	\$0 130
19 Tariff Area 2 Rate Increment Revenues, Present Rates, Dollars		\$342,090	\$797,737		\$460,027	\$1,080,601
20 Proposed Rate Increase, Percent		35 85%	35 85%		4 15%	4 15%
21 Tariff Area 2 Rate Increment Revenue Requirement, Proposed Rates	\$1,548,455	\$464,729	\$1,083,726	\$1,604,589	\$479,126	\$1,125,464
22 Computed Tariff Area 2 Rate Increment , Dollars per Ccf	\$0 113	\$0 087	\$0 130	\$0 118	\$0 091	\$0 136
23 Proposed Tariff Area 2 Rate Increment Revenues		\$0 087	\$0 130		\$0 091	\$0 136
24 Proposed Tariff Area 2 Rate Revenues	\$1,548,455	\$464,729	\$1,083,726	\$1,604,589	\$479,126	\$1,125,464
25 Tariff Area 3 Water Sales, Ccf	1,083,057	1,037,551	45,506	1,071,584	1,026,446	45,138
26 Tariff Area 3 Rate Increment, Present Rates, \$/Ccf		\$0 134	\$0 258		\$0 182	\$0 350
27 Tariff Area 3 Rate Increment Revenues, Present Rates, Dollars		\$139,032	\$11,741		\$186,853	\$15,821
28 Proposed Rate Increase, Percent		35 85%	35 85%		4 15%	4 15%
29 Tariff Area 3 Rate Increment Revenue Requirement, Proposed Rates	\$204,824	\$188,875	\$15,950	\$211,088	\$194,611	\$16,477
30 Computed Tariff Area 3 Rate Increment , Dollars per Ccf	\$0 189	\$0 182	\$0 350	\$0 197	\$0 190	\$0 365
31 Proposed Tariff Area 3 Rate Increment Revenues		\$0 182	\$0 350		\$0 190	\$0 365
32 Proposed Tariff Area 3 Rate Revenues	\$204,824	\$188,875	\$15,950	\$211,088	\$194,611	\$16,477
33 Total Usage Rate Revenues	\$51,246,039	\$29,478,222	\$21,767,817	\$53,169,256	\$30,536,487	\$22,632,769

SUBURBAN WATER SYSTEMS
 TOTAL COMPANY
 COMPUTATION OF METER EQUIVALENTS AND SERVICE CHARGE BY METER SIZE

TABLE 12-4

Meter Size	TEST YEAR					
	2012			2013		
	TOTAL	San Jose Hills Service Area	Whit /LaMir. Service Area	TOTAL	San Jose Hills Service Area	Whit./LaMir. Service Area
1 5/8" x 3/4"	7,426	2,053	5,373	7,419	2,049	5,370
2 3/4"	51,337	30,766	20,571	51,331	30,751	20,580
3 1"	12,462	7,019	5,443	12,482	7,032	5,450
4 1-1/2"	1,568	891	677	1,580	898	682
5 2"	1,459	839	620	1,467	844	623
7 3"	218	135	83	219	135	84
9 4"	128	64	64	129	65	64
10 6"	26	13	13	27	14	13
11 8"	6	5	1	6	5	1
12 10"	1	1		1	1	
13 TOTAL	74,631	41,786	32,845	74,661	41,794	32,867
Meter Equivalents by Meter Size						
14 5/8" x 3/4"	10	10	10	10	10	10
15 3/4"	15	15	15	15	15	15
16 1"	25	25	25	25	25	25
17 1-1/2"	50	50	50	50	50	50
18 2"	80	80	80	80	80	80
19 3"	150	150	150	150	150	150
20 4"	250	250	250	250	250	250
21 6"	500	500	500	500	500	500
22 8"	800	800	800	800	800	800
23 10"	1150	1150	1150	1150	1150	1150
Meter Equivalents						
24 5/8" x 3/4"	7,426	2,053	5,373	7,419	2,049	5,370
25 3/4"	77,006	46,149	30,857	76,997	46,127	30,870
26 1"	31,155	17,548	13,608	31,205	17,580	13,625
27 1-1/2"	7,840	4,455	3,385	7,900	4,490	3,410
28 2"	11,672	6,712	4,960	11,736	6,752	4,984
29 3"	3,270	2,025	1,245	3,285	2,025	1,260
30 4"	3,200	1,600	1,600	3,225	1,625	1,600
31 6"	1,300	650	650	1,350	700	650
32 8"	480	400	80	480	400	80
33 10"	115	115	0	115	115	0
34 TOTAL	143,464	81,707	61,757	143,712	81,863	61,849
35 Fixed Costs Recoverable From Monthly Service Charges	\$20,681,885	\$11,778,915	\$8,902,969	\$21,427,083	\$12,205,527	\$9,221,556
36 Annual Cost per Meter Equivalent, Dollars	\$144 16			\$149 10		
37 Monthly Meter Equivalent Cost, Dollars (Rate for 5/8 x 3/4 in -meter)	\$12 01	\$12 01	\$12 01	\$12 42	\$12 42	\$12 42

SERVICE CHARGE RATE BY METER SIZE, DOLLARS

Meter Size	TEST YEAR			
	2012		2013	
	San Jose Hills Service Area	Whit /LaMir Service Area	San Jose Hills Service Area	Whit /LaMir Service Area
38 5/8" x 3/4"	\$12 01	\$12 01	\$12 42	\$12 42
39 3/4"	\$18 02	\$18 02	\$18.64	\$18 64
40 1"	\$30 03	\$30 03	\$31.06	\$31.06
41 1-1/2"	\$60 07	\$60 07	\$62.12	\$62 12
42 2"	\$96 11	\$96 11	\$99.40	\$99 40
43 3"	\$180 20	\$180 20	\$186 37	\$186 37
44 4"	\$300 34	\$300 34	\$310 62	\$310 62
45 6"	\$600 67	\$600 67	\$621 24	\$621 24
46 8"	\$961 08	\$961 08	\$993 99	\$993 99
47 10"	\$1,381 55	\$1,381 55	\$1,428 85	\$1,428 85

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPUTATION OF FIRE SERVICE RATES

TABLE 12-5

	2012			2013		
	TOTAL	San Jose Hills Service Area	Whit /LaMir Service Area	TOTAL	San Jose Hills Service Area	Whit./LaMir Service Area
<u>Private Fire Protection Service, Schedule No. 4</u>						
1 Inches Of Diameter	5,290	2,500	2,790	5,396	2,554	2,842
2 Present Rate		\$13.43	\$13.43		\$18.24	\$18.24
3 Present Rate Revenues	\$852,536	\$402,900	\$449,636	\$1,181,378	\$559,162	\$622,216
4 Proposed Rate Increase, Percent		35.85%	35.85%		4.15%	4.15%
5 Proposed Rate Revenues	\$1,158,171	\$547,340	\$610,831	\$1,230,424	\$582,377	\$648,048
6 Computed Rate, Per Inch Per Month, Dollars	\$18.24	\$18.24	\$18.24	\$19.00	\$19.00	\$19.00
7 Rounded Rate, Per Inch Per Month, Dollars	\$18.24	\$18.24	\$18.24	\$19.00	\$19.00	\$19.00
<u>Fire Hydrant Service On Private Property, Schedule No. 4-A</u>						
8 Average Customers By Hydrant Type						
9 6" Riser Type Fire Hydrant	54	29	25	57	31	26
10 6" Std Type Fire Hydrant	31	21	10	32	22	10
11 SUBTOTAL CUSTOMERS	85	50	35	89	53	36
Present Rates, Per Hydrant Per Month						
12 6" Riser Type Fire Hydrant		\$17.77	\$17.77		\$24.14	\$24.14
13 6" Std Type Fire Hydrant		\$17.77	\$17.77		\$24.14	\$24.14
Present Rate Revenues						
14 6" Riser Type Fire Hydrant	\$11,515	\$6,184	\$5,331	\$16,512	\$8,980	\$7,532
15 6" Std Type Fire Hydrant	\$6,610	\$4,478	\$2,132	\$9,270	\$6,373	\$2,897
16 TOTAL	\$18,125	\$10,662	\$7,463	\$25,782	\$15,353	\$10,429
17 Proposed Rate Increase, Percent		35.85%	35.85%		4.15%	4.15%
18 Proposed Rate Revenues	\$24,623	\$14,484	\$10,139	\$26,852	\$15,991	\$10,862
19 Computed Rate, Per Hydrant Per Month, Dollars	\$24.14	\$24.14	\$24.14	\$25.14	\$25.14	\$25.14
20 Proposed Rate, Per Inch Per Month, Dollars		\$24.14	\$24.14		\$25.14	\$25.14
21 Fire Service Revenue Requirement, Proposed Rates	\$1,182,794			\$1,257,277		

PROPOSED RATE SCHEDULE NO. SJ-1, SJ-2, SJ-3, WLM-1, AND WLM-2 RESIDENTIAL AND NON RESIDENTIAL METERED SERVICE, DOLLARS

		TEST YEAR 2012 - Metered Services					ATTRITION YEAR 2013 - Metered Services					
Proposed Schedule Name		San Jose Hills Service Area			Whittier/La Mirada Service Area		San Jose Hills Service Area			Whittier/La Mirada Serv. Area		
		SJ-1	SJ-2	SJ-3	WLM-1	WLM-2	SJ-1	SJ-2	SJ-3	WLM-1	WLM-2	
Quantity Rates.		RESIDENTIAL	NON RESIDENTIAL	RECYCLED WATER	RESIDENTIAL	NON RESIDENTIAL	RESIDENTIAL	NON RESIDENTIAL	RECYCLED WATER	RESIDENTIAL	NON RESIDENTIAL	
For all water delivered per 100 cubic feet				85% of SJ-2					85% of SJ-2			
1.	Tariff Area No. 1	Tier 1	\$2,324	\$2,390	\$2,032	\$2,168	\$2,221	\$2,433	\$2,502	\$2,127	\$2,260	\$2,316
		Tier 2	\$2,609			\$2,449		\$2,731			\$2,553	
2.	Tariff Area No. 2	Tier 1	\$2,419	\$2,477	\$2,106	\$2,305	\$2,352	\$2,532	\$2,593	\$2,204	\$2,403	\$2,452
		Tier 2	\$2,666			\$2,541		\$2,790			\$2,649	
3.	Tariff Area No. 3	Tier 1	\$2,522	\$2,572	\$2,187	\$2,492	\$2,572	\$2,640	\$2,692	\$2,288	\$2,598	\$2,681
		Tier 2	\$2,884			\$2,701		\$3,018			\$2,816	
Service Charge For.												
		Residential Tier 1 Usage Up To (Ccf)										
4.	5/8 x 3/4-inch meter	20	\$12.01	\$12.01	\$12.01	\$12.01	\$12.01	\$12.42	\$12.42	\$12.42	\$12.42	\$12.42
5.	3/4-inch meter	20	\$18.02	\$18.02	\$18.02	\$18.02	\$18.02	\$18.64	\$18.64	\$18.64	\$18.64	\$18.64
6.	1-inch meter	28	\$30.03	\$30.03	\$30.03	\$30.03	\$30.03	\$31.06	\$31.06	\$31.06	\$31.06	\$31.06
7.	1-1/2-inch meter	70	\$60.07	\$60.07	\$60.07	\$60.07	\$60.07	\$62.12	\$62.12	\$62.12	\$62.12	\$62.12
8.	2-inch meter	233	\$96.11	\$96.11	\$96.11	\$96.11	\$96.11	\$99.40	\$99.40	\$99.40	\$99.40	\$99.40
9.	3-inch meter	321	\$180.20	\$180.20	\$180.20	\$180.20	\$180.20	\$186.37	\$186.37	\$186.37	\$186.37	\$186.37
10.	4-inch meter		\$300.34	\$300.34	\$300.34	\$300.34	\$300.34	\$310.62	\$310.62	\$310.62	\$310.62	\$310.62
11.	6-inch meter		\$600.67	\$600.67	\$600.67	\$600.67	\$600.67	\$621.24	\$621.24	\$621.24	\$621.24	\$621.24
12.	8-inch meter		\$961.08	\$961.08	\$961.08	\$961.08	\$961.08	\$993.99	\$993.99	\$993.99	\$993.99	\$993.99
13.	10-inch meter		\$1,381.55	\$1,381.55	\$1,381.55	\$1,381.55	\$1,381.55	\$1,428.85	\$1,428.85	\$1,428.85	\$1,428.85	\$1,428.85

PROPOSED RATE SCHEDULE No. 4, PRIVATE FIRE PROTECTION SERVICE

		PER SERVICE PER MONTH			
		2012 TEST YEARS		2013	
Rates for all Tariff Areas		San Jose Hills Service Area	Whit /LaMir Service Area	San Jose Hills Service Area	Whit./LaMir Service Area
14.	Per Inch Per Month	\$18.24	\$18.24	\$19.00	\$19.00

PROPOSED RATE SCHEDULE No. 4A, FIRE HYDRANT SERVICE ON PRIVATE PROPERTY

		PER SERVICE PER MONTH			
		2012 TEST YEARS		2013	
Rates for all Tariff Areas		San Jose Hills Service Area	Whit /LaMir Service Area	San Jose Hills Service Area	Whit./LaMir Service Area
15.	For each 6-inch fire hydrant, per month	\$24.14	\$24.14	\$25.14	\$25.14
16.	For each 6-inch riser fire hydrant with steamer	\$24.14	\$24.14	\$25.14	\$25.14

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
OPERATING REVENUES AT PROPOSED WATER RATES, DOLLARS

TABLE 12-7

Line Number	Customer Class (PUC Account #)	2012 @ 2012 Rates	2013 @ 2012 Rates	2013 @ 2013 Rates
OPERATING REVENUES AT PROPOSED WATER RATES				
<u>METERED WATER SERVICE REVENUES</u>				
1	Residential Sales (601 11)	53,139,967	52,728,174	54,914,697
2	Business Sales (601 12)	12,237,451	12,239,868	12,757,620
3	Industrial Sales (601 2.)	1,120,898	1,160,975	1,212,418
4	Sales to Public Authorities (601 3.)	3,731,791	3,783,247	3,943,869
5	Sales to Other Water Utilities for Resale (606)	29,460	29,460	30,579
6	Construction Water Service (609)	46,360	39,283	40,919
7	Recycled Water Sales	1,393,540	1,393,540	1,457,156
8	TOTAL METERED WATER SERVICE REVENUES	71,699,467	71,374,547	74,357,256
<u>OTHER WATER SERVICE REVENUES</u>				
9	Private Fire Protection Service (604)	1,158,171	1,181,378	1,230,424
10	Fire Hydrant Service on Private Property (604 A)	24,623	25,782	26,853
11	Subtotal, Private Fire Service Revenues	1,182,794	1,207,160	1,257,277
12	P U C Reimbursement Fee 1 50%	1,093,234	1,088,726	1,134,218
13	TOTAL OTHER WATER SERVICE REVENUES	2,276,028	2,295,885	2,391,495
14	TOTAL WATER SERVICE REVENUES	73,975,494	73,670,432	76,748,751
<u>OTHER WATER REVENUES</u>				
15	Miscellaneous Service Revenues (611)	176,069	176,069	176,069
16	Rent from Water Property (612)	7,860	7,860	7,860
17	Other Revenues (614 0)	15,794	15,794	15,794
18	Other Revenues - Fire Flow Testing	16,748	16,748	16,748
19	Other Revenues - Non Tariffed Services	144,497	144,713	144,713
20				
21.	TOTAL OTHER WATER REVENUES	360,968	361,184	361,184
22	AMORTIZATION OF DEFERRED REVENUES	3,937	2,862	2,862
23	TOTAL OPERATING REVENUES AT PROPOSED RATES	74,340,399	74,034,478	77,112,797
24	Total Water Service Revenues Less P U C Reimbursement Fee	72,882,261	72,581,706	75,614,533
<u>Reconciliation</u>				
25	Service Charge (Fixed Cost)	Percentage from Total 30.00%		
23	San Jose Hills Service Area	12,340,738	12,375,919	12,803,895
24	Whittier/La Mirada Service Area	9,523,939	9,548,877	9,880,466
25		<u>21,864,678</u>	<u>21,924,795</u>	<u>22,684,360</u>
26	Usage Charge (Variable Cost)	70 00%		
27	San Jose Hills Service Area	29,249,768	28,948,223	30,297,405
27	Whittier/La Mirada Service Area	21,767,815	21,708,688	22,632,768
28		<u>51,017,583</u>	<u>50,656,911</u>	<u>52,930,173</u>

SUBURBAN WATER SYSTEMS
TOTAL COMPANY
COMPARISON OF REVENUES AT PRESENT AND PROPOSED RATES, TEST YEARS 2012, AND 2013, DOLLARS

TABLE 12-8

Line Number	Customer Class (PUC Account #)	2012 @ Present 2012 Rates	2012 @ Proposed 2012 Rates	Revenue Increase	Percent
TEST YEAR 2012					
1.	Residential Sales (601.11.)	39,256,470	53,139,967	13,883,497	35.37%
2.	Business Sales (601.12.)	8,961,221	12,237,451	3,276,230	36.56%
3.	Industrial Sales (601.2.)	798,802	1,120,898	322,096	40.32%
4.	Sales to Public Authorities (601.3.)	2,732,020	3,731,791	999,771	36.59%
5.	Sales to Other Water Utilities for Resale (606.)	22,779	29,460	6,681	29.33%
6.	Construction Water Service (609.)	34,184	46,360	12,176	35.62%
7.	Private Fire Protection Service (604.)	852,535	1,158,171	305,636	35.85%
8.	Fire Hydrant Service on Private Property (604.A)	18,125	24,623	6,498	35.85%
9.	Recycled Water Sales	971,549	1,393,540	421,991	43.43%
10.	Total Billed Rates	<u>53,647,685</u>	<u>72,882,261</u>	<u>19,234,576</u>	<u>35.85%</u>

Line Number	Customer Class (PUC Account #)	2013 @ Proposed 2012 Rates	2013 @ Proposed 2013 Rates	Revenue Increase	Percent
TEST YEAR 2013					
10.	Residential Sales (601.11.)	52,728,174	54,914,697	2,186,523	4.15%
11.	Business Sales (601.12.)	12,239,868	12,757,620	517,752	4.23%
12.	Industrial Sales (601.2.)	1,160,975	1,212,418	51,442	4.43%
13.	Sales to Public Authorities (601.3.)	3,783,247	3,943,869	160,622	4.25%
14.	Sales to Other Water Utilities for Resale (606.)	29,460	30,579	1,119	3.80%
15.	Construction Water Service (609.)	39,283	40,919	1,635	4.16%
16.	Private Fire Protection Service (604.)	1,181,378	1,230,424	49,047	4.15%
17.	Fire Hydrant Service on Private Property (604.A)	25,782	26,853	1,071	4.15%
18.	Recycled Water Sales	1,393,540	1,457,156	63,616	4.57%
19.	Total Billed Rates	<u>72,581,706</u>	<u>75,614,533</u>	<u>3,032,827</u>	<u>4.18%</u>

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 5/8x3/4" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-10

Line Number	SAN JOSE HILLS Service Area, 5/8 x 3/4 Inch Meter					WHITTIER / LA MIRADA Service Area, 5/8 x 3/4 Inch Meter				
	Usage in Ccf	Present SJH-2 Rates	Proposed SJH-2 Rates	Increase Dollars	Increase Percent	Usage in Ccf	Present WLM-2 Rates	Proposed WLM-2 Rates	Increase Dollars	Increase Percent
TARIFF AREA NUMBER 1:										
1	0	\$9 77	\$12 19	\$2 42	24 77%	0	\$9 77	\$12.19	\$2.42	24 77%
2	2	\$13 11	\$17 05	\$3 94	30 05%	2	\$13 10	\$16 70	\$3 60	27 48%
3	5	\$18 11	\$24 33	\$6 22	34 35%	5	\$18 09	\$23 47	\$5.38	29 74%
4	7	\$21 45	\$29 18	\$7.73	36 04%	7	\$21 42	\$27 98	\$6 56	30.63%
5	10	\$26 45	\$36 46	\$10 01	37 84%	10	\$26 41	\$34 74	\$8 33	31 54%
6	12	\$29 79	\$41 31	\$11 52	38 67%	12	\$29.74	\$39 25	\$9 51	31 98%
7	15	\$34 79	\$48 59	\$13.80	39 67%	15	\$34 73	\$46 02	\$11 29	32 51%
8	17	\$38.12	\$53 44	\$15.32	40 19%	17	\$38 06	\$50 52	\$12.46	32 74%
9	20	\$43 13	\$60 72	\$17.59	40 78%	20	\$43 05	\$57 29	\$14 24	33 08%
10.	25	\$51 47	\$72 85	\$21 38	41 54%	25	\$51 36	\$68 56	\$17 20	33 49%
11.	30	\$59 80	\$84 98	\$25 18	42 11%	30	\$59 68	\$79 84	\$20 16	33 78%
12.	40	\$76 48	\$109 25	\$32 77	42 85%	40	\$76 32	\$102 38	\$26 06	34 15%
13.	50	\$93 16	\$133 51	\$40 35	43 31%	50	\$92 95	\$124 93	\$31 98	34 41%
14.	100	\$176 54	\$254 83	\$78 29	44.35%	100	\$176 13	\$237 67	\$61 54	34 94%
TARIFF AREA NUMBER 2:										
15	0	\$9 77	\$12 19	\$2 42	24 77%	0	\$9 77	\$12.19	\$2 42	24.77%
16.	2	\$13 24	\$17 22	\$3 98	30 06%	2	\$13 30	\$16 97	\$3 67	27 59%
17.	5	\$18 44	\$24 77	\$6 33	34 33%	5	\$18 58	\$24 13	\$5 55	29.87%
18.	7	\$21 90	\$29 80	\$7 90	36 07%	7	\$22 10	\$28 90	\$6 80	30 77%
19.	10	\$27 10	\$37 34	\$10 24	37 79%	10	\$27 38	\$36 07	\$8 69	31 74%
20.	12	\$30 57	\$42 37	\$11 80	38 60%	12	\$30 91	\$40 84	\$9 93	32 13%
21.	15	\$35 76	\$49 91	\$14 15	39 57%	15	\$36 19	\$48 00	\$11 81	32.63%
22.	17	\$39 23	\$54.94	\$15 71	40 05%	17	\$39 71	\$52 78	\$13 07	32 91%
23.	20	\$44 43	\$62.48	\$18 05	40 63%	20	\$44 99	\$59 94	\$14.95	33 23%
24.	25	\$53 09	\$75 06	\$21 97	41 38%	25	\$53 80	\$71 87	\$18 07	33 59%
25.	30	\$61 75	\$87.63	\$25 88	41 91%	30	\$62.61	\$83 81	\$21 20	33.86%
26.	40	\$79 08	\$112 78	\$33 70	42.62%	40	\$80 22	\$107 68	\$27 46	34 23%
27.	50	\$96 40	\$137.92	\$41 52	43 07%	50	\$97 83	\$131 55	\$33 72	34 47%
28.	100	\$183 03	\$263 65	\$80.62	44 05%	100	\$185 88	\$250 91	\$65 03	34 98%
TARIFF AREA NUMBER 3:										
29.	0	\$9 77	\$12 19	\$2 42	24 77%					
30	2	\$13 38	\$17 42	\$4 04	30 19%					
31.	5	\$18 79	\$25 25	\$6 46	34 38%					
32.	7	\$22 40	\$30 47	\$8 07	36 03%					
33.	10	\$27 81	\$38 30	\$10 49	37 72%					
34.	12	\$31 42	\$43 53	\$12 11	38 54%					
35.	15	\$36 83	\$51 36	\$14 53	39.45%					
36.	17	\$40 44	\$56 58	\$16 14	39 91%					
37.	20	\$45 85	\$64 42	\$18 57	40 50%					
38.	25	\$54 87	\$77 47	\$22 60	41 19%					
39.	30	\$63 88	\$90 53	\$26 65	41 72%					
40.	40	\$81 92	\$116 64	\$34 72	42 38%					
41.	50	\$99 96	\$142 75	\$42 79	42 81%					
42.	100	\$190 14	\$273 30	\$83 16	43 74%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 3/4" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1.50%

TABLE 12-11

Line Number	SAN JOSE HILLS Service Area, 3/4 Inch Meter					WHITTIER / LA MIRADA Service Area, 3/4 Inch Meter				
	Usage in Ccf	Present SJH-2 Rates	Proposed SJH-2 Rates	Increase Dollars	Increase Percent	Usage in Ccf	Present WLM-2 Rates	Proposed WLM-2 Rates	Increase Dollars	Increase Percent
TARIFF AREA NUMBER 1:										
1	0	\$14.67	\$18.29	\$3.62	24.68%	0	\$14.67	\$18.29	\$3.62	24.68%
2	2	\$18.00	\$23.14	\$5.14	28.56%	2	\$17.99	\$22.80	\$4.81	26.74%
3.	5	\$23.00	\$30.42	\$7.42	32.26%	5	\$22.98	\$29.56	\$6.58	28.63%
4.	7	\$26.34	\$35.27	\$8.93	33.90%	7	\$26.31	\$34.07	\$7.76	29.49%
5	10	\$31.34	\$42.55	\$11.21	35.77%	10	\$31.30	\$40.84	\$9.54	30.48%
6	12	\$34.68	\$47.41	\$12.73	36.71%	12	\$34.63	\$45.35	\$10.72	30.96%
7.	15	\$39.68	\$54.69	\$15.01	37.83%	15	\$39.62	\$52.11	\$12.49	31.52%
8.	17	\$43.02	\$59.54	\$16.52	38.40%	17	\$42.95	\$56.62	\$13.67	31.83%
9.	20	\$48.02	\$66.82	\$18.80	39.15%	20	\$47.94	\$63.39	\$15.45	32.23%
10	25	\$56.36	\$78.95	\$22.59	40.08%	25	\$56.26	\$74.66	\$18.40	32.71%
11	30	\$64.70	\$91.08	\$26.38	40.77%	30	\$64.57	\$85.93	\$21.36	33.08%
12	40	\$81.37	\$115.34	\$33.97	41.75%	40	\$81.21	\$108.48	\$27.27	33.58%
13	50	\$98.05	\$139.61	\$41.56	42.39%	50	\$97.85	\$131.03	\$33.18	33.91%
14	100	\$181.43	\$260.92	\$79.49	43.81%	100	\$181.03	\$243.77	\$62.74	34.66%
TARIFF AREA NUMBER 2:										
15	0	\$14.67	\$18.29	\$3.62	24.68%	0	\$14.67	\$18.29	\$3.62	24.68%
16	2	\$18.13	\$23.32	\$5.19	28.63%	2	\$18.19	\$23.06	\$4.87	26.77%
17	5	\$23.33	\$30.86	\$7.53	32.28%	5	\$23.47	\$30.23	\$6.76	28.80%
18	7	\$26.79	\$35.89	\$9.10	33.97%	7	\$26.99	\$35.00	\$8.01	29.68%
19	10	\$31.99	\$43.44	\$11.45	35.79%	10	\$32.28	\$42.16	\$9.88	30.61%
20	12	\$35.46	\$48.47	\$13.01	36.69%	12	\$35.80	\$46.94	\$11.14	31.12%
21	15	\$40.66	\$56.01	\$15.35	37.75%	15	\$41.08	\$54.10	\$13.02	31.69%
22.	17	\$44.12	\$61.04	\$16.92	38.35%	17	\$44.60	\$58.87	\$14.27	32.00%
23	20	\$49.32	\$68.58	\$19.26	39.05%	20	\$49.89	\$66.03	\$16.14	32.35%
24	25	\$57.98	\$81.15	\$23.17	39.96%	25	\$58.69	\$77.97	\$19.28	32.85%
25	30	\$66.64	\$93.73	\$27.09	40.65%	30	\$67.50	\$89.91	\$22.41	33.20%
26.	40	\$83.97	\$118.87	\$34.90	41.56%	40	\$85.11	\$113.78	\$28.67	33.69%
27.	50	\$101.30	\$144.02	\$42.72	42.17%	50	\$102.72	\$137.65	\$34.93	34.01%
28	100	\$187.93	\$269.75	\$81.82	43.54%	100	\$190.77	\$257.01	\$66.24	34.72%
TARIFF AREA NUMBER 3:										
29	0	\$14.67	\$18.29	\$3.62	24.68%					
30	2	\$18.27	\$23.51	\$5.24	28.68%					
31.	5	\$23.69	\$31.35	\$7.66	32.33%					
32	7	\$27.29	\$36.57	\$9.28	34.01%					
33	10	\$32.70	\$44.40	\$11.70	35.78%					
34	12	\$36.31	\$49.62	\$13.31	36.66%					
35	15	\$41.72	\$57.46	\$15.74	37.73%					
36.	17	\$45.33	\$62.68	\$17.35	38.27%					
37.	20	\$50.74	\$70.51	\$19.77	38.96%					
38.	25	\$59.76	\$83.57	\$23.81	39.84%					
39	30	\$68.78	\$96.62	\$27.84	40.48%					
40	40	\$86.81	\$122.73	\$35.92	41.38%					
41	50	\$104.85	\$148.84	\$43.99	41.96%					
42	100	\$195.03	\$279.40	\$84.37	43.26%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 1" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-12

Line Number	SAN JOSE HILLS Service Area, 1 Inch Meter					WHITTIER / LA MIRADA Service Area, 1 Inch Meter				
	Usage in Ccf	Present SJH-2 Rates	Proposed SJH-2 Rates	Increase Dollars	Increase Percent	Usage in Ccf	Present WLM-2 Rates	Proposed WLM-2 Rates	Increase Dollars	Increase Percent
TARIFF AREA NUMBER 1:										
1	0	\$24 44	\$30 48	\$6 04	24 71%	0	\$24 44	\$30 48	\$6 04	24.71%
2	2	\$27 78	\$35 34	\$7 56	27 21%	2	\$27 77	\$34 99	\$7 22	26 00%
3	5	\$32 78	\$42 62	\$9 84	30 02%	5	\$32 76	\$41 76	\$9 00	27 47%
4.	7	\$36 11	\$47 47	\$11.36	31 46%	7	\$36 09	\$46 27	\$10 18	28.21%
5.	10	\$41 12	\$54 75	\$13 63	33 15%	10	\$41 08	\$53 03	\$11 95	29.09%
6	12	\$44 45	\$59.60	\$15 15	34 08%	12	\$44 40	\$57.54	\$13 14	29.59%
7	15	\$49.46	\$66.88	\$17 42	35 22%	15	\$49 39	\$64.31	\$14 92	30 21%
8	17	\$52.79	\$71.73	\$18 94	35 88%	17	\$52 72	\$68 82	\$16 10	30 54%
9.	20	\$57.79	\$79 01	\$21 22	36 72%	20	\$57.71	\$75 58	\$17 87	30 97%
10	25	\$66 13	\$91 14	\$25 01	37 82%	25	\$66 03	\$86 85	\$20 82	31 53%
11	30	\$74 47	\$103 27	\$28 80	38 67%	30	\$74 35	\$98 13	\$23 78	31 98%
12	40	\$91 15	\$127 54	\$36 39	39 92%	40	\$90 98	\$120 68	\$29.70	32 64%
13	50	\$107 82	\$151 80	\$43 98	40 79%	50	\$107 62	\$143 22	\$35.60	33 08%
14	100	\$191 21	\$273 12	\$81 91	42 84%	100	\$190 80	\$255 96	\$65 16	34 15%
TARIFF AREA NUMBER 2:										
15	0	\$24 44	\$30 48	\$6 04	24 71%	0	\$24 44	\$30 48	\$6 04	24.71%
16	2	\$27.91	\$35 51	\$7 60	27 23%	2	\$27 96	\$35 26	\$7 30	26.11%
17	5	\$33.10	\$43 06	\$9 96	30 09%	5	\$33 25	\$42 42	\$9 17	27.58%
18	7	\$36 57	\$48 09	\$11 52	31.50%	7	\$36 77	\$47 19	\$10 42	28.34%
19	10	\$41 77	\$55 63	\$13 86	33 18%	10	\$42 05	\$54 36	\$12 31	29 27%
20	12	\$45 23	\$60.66	\$15 43	34 11%	12	\$45 57	\$59 13	\$13 56	29 76%
21	15	\$50 43	\$68 20	\$17 77	35 24%	15	\$50 86	\$66 29	\$15 43	30 34%
22	17	\$53 90	\$73.23	\$19 33	35 86%	17	\$54 38	\$71 07	\$16.69	30 69%
23	20	\$59 09	\$80 78	\$21 69	36.71%	20	\$59 66	\$78 23	\$18 57	31 13%
24	25	\$67 76	\$93 35	\$25 59	37 77%	25	\$68 47	\$90 16	\$21.69	31.68%
25	30	\$76 42	\$105 92	\$29 50	38 60%	30	\$77.27	\$102.10	\$24 83	32 13%
26	40	\$93 75	\$131 07	\$37.32	39.81%	40	\$94 88	\$125 97	\$31 09	32 77%
27.	50	\$111.07	\$156 21	\$45.14	40.64%	50	\$112 49	\$149 84	\$37 35	33 20%
28	100	\$197 70	\$281 94	\$84 24	42.61%	100	\$200 54	\$269 20	\$68 66	34 24%
TARIFF AREA NUMBER 3:										
29	0	\$24 44	\$30.48	\$6 04	24 71%					
30	2	\$28 05	\$35 71	\$7 66	27 31%					
31	5	\$33 46	\$43 54	\$10 08	30 13%					
32.	7	\$37 07	\$48 76	\$11 69	31 53%					
33	10	\$42 48	\$56 59	\$14 11	33 22%					
34	12	\$46 09	\$61 82	\$15 73	34 13%					
35	15	\$51 50	\$69 65	\$18 15	35 24%					
36	17	\$55 10	\$74 87	\$19 77	35 88%					
37	20	\$60 51	\$82 71	\$22 20	36 69%					
38	25	\$69 53	\$95 76	\$26 23	37 72%					
39.	30	\$78 55	\$108 82	\$30 27	38 54%					
40	40	\$96 59	\$134 93	\$38 34	39 69%					
41	50	\$114 62	\$161 04	\$46 42	40 50%					
42	100	\$204 81	\$291 59	\$86 78	42 37%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 1-1/2" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-13

Line Number	SAN JOSE HILLS Service Area, 1-1/2 Inch Meter					WHITTIER / LA MIRADA Service Area, 1-1/2 Inch Meter				
	Usage in Ccf	Present SJH-2 Rates	Proposed SJH-2 Rates	Increase Dollars	Increase Percent	Usage in Ccf	Present WLM-2 Rates	Proposed WLM-2 Rates	Increase Dollars	Increase Percent
TARIFF AREA NUMBER 1:										
1	0	\$48 88	\$60.97	\$12 09	24 73%	0	\$48 88	\$60 97	\$12 09	24.73%
2	3	\$53 89	\$68 25	\$14 36	26 65%	3	\$53 87	\$67 73	\$13 86	25 73%
3	5	\$57 22	\$73.10	\$15 88	27.75%	5	\$57 20	\$72 24	\$15 04	26 29%
4	10	\$65 56	\$85 23	\$19 67	30 00%	10	\$65 52	\$83 52	\$18 00	27 47%
5	25	\$90 57	\$121 63	\$31 06	34.29%	25	\$90 47	\$117 34	\$26 87	29 70%
6	50	\$132 26	\$182 28	\$50 02	37.82%	50	\$132 06	\$173 71	\$41 65	31 54%
7.	75	\$173 96	\$242 94	\$68 98	39 65%	75	\$173 65	\$230 08	\$56 43	32 50%
8	100	\$215.65	\$303 60	\$87 95	40 78%	100	\$215 24	\$286 45	\$71 21	33 08%
9	125	\$257 34	\$364 26	\$106 92	41 55%	125	\$256 83	\$342 82	\$85 99	33 48%
10	150	\$299.03	\$424 92	\$125 89	42 10%	150	\$298 42	\$399 19	\$100 77	33 77%
11	200	\$382 41	\$546 23	\$163 82	42 84%	200	\$381 60	\$511 92	\$130.32	34 15%
12	250	\$465 79	\$667 55	\$201.76	43 32%	250	\$464.78	\$624 66	\$159 88	34 40%
13	375	\$674 25	\$970 84	\$296 59	43 99%	375	\$672 73	\$906 51	\$233 78	34 75%
14	500	\$882 70	\$1,274 13	\$391 43	44 34%	500	\$880 67	\$1,188 36	\$307 69	34 94%
TARIFF AREA NUMBER 2:										
15	0	\$48.88	\$60 97	\$12 09	24 73%	0	\$48 88	\$60.97	\$12 09	24 73%
16	3	\$54 08	\$68 51	\$14 43	26 68%	3	\$54 17	\$68 13	\$13.96	25 77%
17	5	\$57 55	\$73 54	\$15 99	27 78%	5	\$57 69	\$72 90	\$15 21	26 37%
18	10	\$66 21	\$86 11	\$19 90	30 06%	10	\$66 49	\$84 84	\$18 35	27 60%
19	25	\$92 20	\$123 83	\$31 63	34 31%	25	\$92 91	\$120 65	\$27 74	29 86%
20	50	\$135 51	\$186 70	\$51 19	37 78%	50	\$136 93	\$180 33	\$43 40	31 70%
21	75	\$178 83	\$249 56	\$70 73	39 55%	75	\$180 96	\$240 00	\$59 04	32 63%
22	100	\$222 14	\$312 42	\$90 28	40.64%	100	\$224 98	\$299 68	\$74 70	33 20%
23	125	\$265 46	\$375 29	\$109 83	41 37%	125	\$269 01	\$359 36	\$90 35	33 59%
24	150	\$308 77	\$438 15	\$129 38	41 90%	150	\$313 04	\$419 04	\$106 00	33 86%
25	200	\$395.40	\$563 88	\$168 48	42 61%	200	\$401 09	\$538 40	\$137 31	34.23%
26	250	\$482 03	\$689.61	\$207 58	43 06%	250	\$489 14	\$657 76	\$168.62	34 47%
27	375	\$698 61	\$1,003 93	\$305 32	43 70%	375	\$709 27	\$956 15	\$246 88	34 81%
28	500	\$915 18	\$1,318 25	\$403 07	44 04%	500	\$929 39	\$1,254 54	\$325.15	34 99%
TARIFF AREA NUMBER 3:										
29	0	\$48 88	\$60 97	\$12 09	24 73%					
30	3	\$54 29	\$68 80	\$14 51	26 73%					
31	5	\$57 90	\$74 02	\$16 12	27 84%					
32	10	\$66 92	\$87 08	\$20 16	30 13%					
33.	25	\$93 97	\$126 25	\$32 28	34 35%					
34	50	\$139 07	\$191 52	\$52 45	37 71%					
35	75	\$184 16	\$256 80	\$72 64	39 44%					
36	100	\$229.25	\$322.08	\$92 83	40 49%					
37	125	\$274 34	\$387 35	\$113 01	41 19%					
38	150	\$319 43	\$452 63	\$133 20	41 70%					
39	200	\$409 61	\$583 19	\$173 58	42 38%					
40	250	\$499 80	\$713 74	\$213 94	42 81%					
41	375	\$725 25	\$1,040 13	\$314 88	43 42%					
42	500	\$950 71	\$1,366 51	\$415 80	43 74%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 2" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-14

Line Number	SAN JOSE HILLS Service Area, 2 Inch Meter						WHITTIER / LA MIRADA Service Area 2 Inch Meter					
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase			
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent		Present WLM-2 Rates	Proposed WLM-2 Rates	Dollars	Percent		
TARIFF AREA NUMBER 1:												
1	0	\$78 22	\$97 55	\$19 33	24 71%	0	\$78 22	\$97 55	\$19 33	24 71%		
2.	3	\$83 22	\$104 83	\$21 61	25 97%	3	\$83 21	\$104 31	\$21 10	25 36%		
3	5	\$86 55	\$109 68	\$23 13	26 72%	5	\$86 53	\$108 82	\$22 29	25 76%		
4	10	\$94 89	\$121 81	\$26 92	28 37%	10	\$94 85	\$120 10	\$25 25	26 62%		
5	25	\$119 91	\$158 21	\$38 30	31 94%	25	\$119 81	\$153 92	\$34 11	28 47%		
6	50	\$161 60	\$218 86	\$57 26	35 43%	50	\$161 40	\$210 29	\$48 89	30 29%		
7	75	\$203 29	\$279 52	\$76 23	37 50%	75	\$202 98	\$266 66	\$63 68	31 37%		
8	100	\$244 98	\$340 18	\$95 20	38 86%	100	\$244 57	\$323 03	\$78 46	32 08%		
9	125	\$286 67	\$400 84	\$114 17	39 83%	125	\$286 16	\$379 40	\$93 24	32 58%		
10	150	\$328 36	\$461 50	\$133 14	40 55%	150	\$327 75	\$435 77	\$108 02	32 96%		
11	200	\$411 74	\$582 81	\$171 07	41 55%	200	\$410 93	\$548 51	\$137 58	33 48%		
12	250	\$495 13	\$704 13	\$209 00	42 21%	250	\$494 11	\$661 24	\$167 13	33 82%		
13	375	\$703 58	\$1,007 42	\$303 84	43 18%	375	\$702 06	\$943 09	\$241 03	34 33%		
14	500	\$912 04	\$1,310 71	\$398 67	43 71%	500	\$910 01	\$1,224 94	\$314 93	34 61%		
TARIFF AREA NUMBER 2:												
15	0	\$78 22	\$97 55	\$19 33	24 71%	0	\$78 22	\$97 55	\$19 33	24 71%		
16	3	\$83 41	\$105 09	\$21 68	25 99%	3	\$83 50	\$104 71	\$21 21	25 40%		
17	5	\$86 88	\$110 12	\$23 24	26 75%	5	\$87 02	\$109 48	\$22 46	25 81%		
18	10	\$95 54	\$122 69	\$27 15	28 42%	10	\$95 83	\$121 42	\$25 59	26 70%		
19	25	\$121 53	\$160 41	\$38 88	31 99%	25	\$122 24	\$157 23	\$34 99	28 62%		
20	50	\$164 85	\$223 28	\$58 43	35 44%	50	\$166 27	\$216 91	\$50 64	30 46%		
21	75	\$208 16	\$286 14	\$77 98	37 46%	75	\$210 29	\$276 59	\$66 30	31 53%		
22	100	\$251 48	\$349 01	\$97 53	38 78%	100	\$254 32	\$336 26	\$81 94	32 22%		
23	125	\$294 79	\$411 87	\$117 08	39 72%	125	\$298 34	\$395 94	\$97 60	32 71%		
24	150	\$338 11	\$474 73	\$136 62	40 41%	150	\$342 37	\$455 62	\$113 25	33 08%		
25	200	\$424 74	\$600 46	\$175 72	41 37%	200	\$430 42	\$574 98	\$144 56	33 59%		
26	250	\$511 37	\$726 19	\$214 82	42 01%	250	\$518 47	\$694 34	\$175 87	33 92%		
27	375	\$727 94	\$1,040 51	\$312 57	42 94%	375	\$738 60	\$992 73	\$254 13	34 41%		
28	500	\$944 52	\$1,354 83	\$410 31	43 44%	500	\$958 73	\$1,291 13	\$332 40	34 67%		
TARIFF AREA NUMBER 3:												
29	0	\$78 22	\$97 55	\$19 33	24 71%							
30	3	\$83 63	\$105 38	\$21 75	26 01%							
31.	5	\$87 23	\$110 60	\$23 37	26 79%							
32	10	\$96 25	\$123 66	\$27 41	28 48%							
33	25	\$123 31	\$162 83	\$39 52	32 05%							
34	50	\$168 40	\$228 10	\$59 70	35 45%							
35	75	\$213 49	\$293 38	\$79 89	37 42%							
36	100	\$258 58	\$358 66	\$100 08	38 70%							
37.	125	\$303 67	\$423 93	\$120 26	39 60%							
38	150	\$348 76	\$489 21	\$140 45	40 27%							
39	200	\$438 95	\$619 77	\$180 82	41 19%							
40	250	\$529 13	\$750 32	\$221 19	41 80%							
41	375	\$754 59	\$1,076 71	\$322 12	42 69%							
42	500	\$980 04	\$1,403 09	\$423 05	43 17%							

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 3" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-15

Line Number	SAN JOSE HILLS Service Area, 3 Inch Meter						WHITTIER / LA MIRADA Service Area 3 Inch Meter					
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase			
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent		Present WLM-2 Rates	Proposed WLM-2 Rates	Dollars	Percent		
TARIFF AREA NUMBER 1:												
1	0	\$146.65	\$182.90	\$36.25	24.72%	0	\$146.65	\$182.90	\$36.25	24.72%		
2.	5	\$154.99	\$195.04	\$40.05	25.84%	5	\$154.97	\$194.18	\$39.21	25.30%		
3	10	\$163.32	\$207.17	\$43.85	26.85%	10	\$163.28	\$205.45	\$42.17	25.83%		
4	20	\$180.00	\$231.43	\$51.43	28.57%	20	\$179.92	\$228.00	\$48.08	26.72%		
5.	50	\$230.03	\$304.22	\$74.19	32.25%	50	\$229.83	\$295.64	\$65.81	28.63%		
6.	75	\$271.72	\$364.88	\$93.16	34.29%	75	\$271.42	\$352.01	\$80.59	29.69%		
7	100	\$313.41	\$425.54	\$112.13	35.78%	100	\$313.01	\$408.38	\$95.37	30.47%		
8	150	\$396.79	\$546.85	\$150.06	37.82%	150	\$396.18	\$521.12	\$124.94	31.54%		
9.	200	\$480.18	\$668.17	\$187.99	39.15%	200	\$479.36	\$633.86	\$154.50	32.23%		
10	300	\$646.94	\$910.80	\$263.86	40.79%	300	\$645.72	\$859.34	\$213.62	33.08%		
11	400	\$813.71	\$1,153.43	\$339.72	41.75%	400	\$812.08	\$1,084.82	\$272.74	33.59%		
12	500	\$980.47	\$1,396.06	\$415.59	42.39%	500	\$978.44	\$1,310.29	\$331.85	33.92%		
13	750	\$1,397.38	\$2,002.64	\$605.26	43.31%	750	\$1,394.34	\$1,873.99	\$479.65	34.40%		
14	1,000	\$1,814.29	\$2,609.22	\$794.93	43.81%	1,000	\$1,810.23	\$2,437.69	\$627.46	34.66%		
TARIFF AREA NUMBER 2:												
15	0	\$146.65	\$182.90	\$36.25	24.72%	0	\$146.65	\$182.90	\$36.25	24.72%		
16	5	\$155.31	\$195.48	\$40.17	25.86%	5	\$155.45	\$194.84	\$39.39	25.34%		
17.	10	\$163.97	\$208.05	\$44.08	26.88%	10	\$164.26	\$206.78	\$42.52	25.89%		
18	20	\$181.30	\$233.20	\$51.90	28.63%	20	\$181.87	\$230.65	\$48.78	26.82%		
19	50	\$233.28	\$308.63	\$75.35	32.30%	50	\$234.70	\$302.26	\$67.56	28.79%		
20	75	\$276.59	\$371.50	\$94.91	34.31%	75	\$278.72	\$361.94	\$83.22	29.86%		
21	100	\$319.91	\$434.36	\$114.45	35.78%	100	\$322.75	\$421.62	\$98.87	30.63%		
22	150	\$406.54	\$560.09	\$153.55	37.77%	150	\$410.80	\$540.98	\$130.18	31.69%		
23	200	\$493.17	\$685.82	\$192.65	39.06%	200	\$498.85	\$660.34	\$161.49	32.37%		
24	300	\$666.43	\$937.27	\$270.84	40.64%	300	\$674.95	\$899.05	\$224.10	33.20%		
25	400	\$839.69	\$1,188.73	\$349.04	41.57%	400	\$851.06	\$1,137.77	\$286.71	33.69%		
26	500	\$1,012.95	\$1,440.19	\$427.24	42.18%	500	\$1,027.16	\$1,376.48	\$349.32	34.01%		
27.	750	\$1,446.10	\$2,068.83	\$622.73	43.06%	750	\$1,467.42	\$1,973.27	\$505.85	34.47%		
28	1,000	\$1,879.25	\$2,697.47	\$818.22	43.54%	1,000	\$1,907.67	\$2,570.06	\$662.39	34.72%		
TARIFF AREA NUMBER 3:												
29	0	\$146.65	\$182.90	\$36.25	24.72%							
30.	5	\$155.67	\$195.96	\$40.29	25.88%							
31.	10	\$164.68	\$209.02	\$44.34	26.92%							
32	20	\$182.72	\$235.13	\$52.41	28.68%							
33	50	\$236.83	\$313.46	\$76.63	32.36%							
34.	75	\$281.92	\$378.74	\$96.82	34.34%							
35.	100	\$327.01	\$444.01	\$117.00	35.78%							
36	150	\$417.20	\$574.57	\$157.37	37.72%							
37	200	\$507.38	\$705.12	\$197.74	38.97%							
38	300	\$687.74	\$966.23	\$278.49	40.49%							
39.	400	\$868.11	\$1,227.34	\$359.23	41.38%							
40.	500	\$1,048.47	\$1,488.45	\$439.98	41.96%							
41	750	\$1,499.39	\$2,141.22	\$641.83	42.81%							
42	1,000	\$1,950.30	\$2,793.99	\$843.69	43.26%							

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 4" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-16

Line Number	SAN JOSE HILLS Service Area, 4 Inch Meter					WHITTIER / LA MIRADA Service Area, 4 Inch Meter				
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase	
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent		Present WLM-2 Rates	Proposed WLM-2 Rates	Dollars	Percent
TARIFF AREA NUMBER 1:										
1.	0	\$244 42	\$304 84	\$60 42	24 72%	0	\$244 42	\$304 84	\$60 42	24.72%
2	5	\$252 76	\$316 97	\$64 21	25 40%	5	\$252 74	\$316 11	\$63 37	25 07%
3	10	\$261 10	\$329.10	\$68.00	26 04%	10	\$261 06	\$327.39	\$66 33	25 41%
4	20	\$277 78	\$353 37	\$75.59	27 21%	20	\$277 69	\$349 94	\$72 25	26 02%
5	50	\$327.80	\$426.16	\$98.36	30 01%	50	\$327.60	\$417 58	\$89 98	27 47%
6	75	\$369 50	\$486 81	\$117 31	31 75%	75	\$369 19	\$473 95	\$104.76	28 38%
7	100	\$411 19	\$547 47	\$136 28	33 14%	100	\$410 78	\$530 32	\$119.54	29 10%
8	150	\$494 57	\$668.79	\$174 22	35 23%	150	\$493 96	\$643 06	\$149 10	30 18%
9	200	\$577 95	\$790 10	\$212 15	36 71%	200	\$577 14	\$755 80	\$178 66	30 96%
10	300	\$744 72	\$1,032.74	\$288.02	38 67%	300	\$743 50	\$981.28	\$237.78	31 98%
11.	400	\$911 48	\$1,275 37	\$363 89	39 92%	400	\$909 86	\$1,206 75	\$296 89	32 63%
12.	500	\$1,078 24	\$1,518 00	\$439 76	40 78%	500	\$1,076 21	\$1,432 23	\$356 02	33 08%
13	750	\$1,495 16	\$2,124 58	\$629 42	42 10%	750	\$1,492 11	\$1,995 93	\$503 82	33 77%
14.	1,000	\$1,912 07	\$2,731 16	\$819 09	42 84%	1,000	\$1,908.01	\$2,559 62	\$651 61	34 15%
TARIFF AREA NUMBER 2:										
15.	0	\$244 42	\$304 84	\$60 42	24 72%	0	\$244 42	\$304 84	\$60 42	24.72%
16	5	\$253 09	\$317 41	\$64 32	25 41%	5	\$253 23	\$316 78	\$63 55	25 10%
17	10	\$261 75	\$329 99	\$68 24	26 07%	10	\$262 03	\$328 71	\$66 68	25 45%
18.	20	\$279 07	\$355 13	\$76 06	27 25%	20	\$279 64	\$352.58	\$72 94	26 08%
19	50	\$331 05	\$430 57	\$99.52	30 06%	50	\$332 47	\$424 20	\$91.73	27 59%
20	75	\$374.37	\$493 43	\$119.06	31.80%	75	\$376 50	\$483 88	\$107 38	28 52%
21	100	\$417 68	\$556 30	\$138 62	33 19%	100	\$420 52	\$543 56	\$123 04	29 26%
22	150	\$504 31	\$682 03	\$177 72	35 24%	150	\$508 58	\$662 91	\$154 33	30 35%
23	200	\$590 94	\$807 75	\$216 81	36.69%	200	\$596 63	\$782 27	\$185 64	31 11%
24	300	\$764.20	\$1,059 21	\$295 01	38 60%	300	\$772 73	\$1,020 99	\$248 26	32 13%
25	400	\$937 46	\$1,310 67	\$373 21	39 81%	400	\$948 83	\$1,259 70	\$310 87	32 76%
26	500	\$1,110 72	\$1,562 12	\$451 40	40 64%	500	\$1,124 93	\$1,498 42	\$373 49	33 20%
27	750	\$1,543 88	\$2,190 76	\$646 88	41.90%	750	\$1,565 19	\$2,095 21	\$530 02	33 86%
28	1,000	\$1,977 03	\$2,819 40	\$842 37	42 61%	1,000	\$2,005 45	\$2,691 99	\$686.54	34 23%
TARIFF AREA NUMBER 3:										
29	0	\$244 42	\$304 84	\$60 42	24 72%					
30	5	\$253 44	\$317 90	\$64 46	25.43%					
31	10	\$262 46	\$330 95	\$68 49	26.10%					
32	20	\$280 50	\$357 06	\$76 56	27.29%					
33	50	\$334 60	\$435 40	\$100 80	30 13%					
34	75	\$379 70	\$500 67	\$120 97	31 86%					
35	100	\$424 79	\$565 95	\$141 16	33 23%					
36	150	\$514 97	\$696 50	\$181 53	35 25%					
37	200	\$605 15	\$827 06	\$221 91	36 67%					
38	300	\$785 52	\$1,088 17	\$302 65	38 53%					
39	400	\$965 88	\$1,349 28	\$383 40	39.69%					
40	500	\$1,146 25	\$1,610 38	\$464 13	40.49%					
41	750	\$1,597 16	\$2,263 15	\$665 99	41 70%					
42	1,000	\$2,048 08	\$2,915 93	\$867 85	42.37%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 6" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-17

Line Number	SAN JOSE HILLS Service Area, 6 Inch Meter					WHITTIER / LA MIRADA Service Area, 6 Inch Meter				
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase	
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent		Present WLM-2 Rates	Proposed WLM-2 Rates	Dollars	Percent
TARIFF AREA NUMBER 1:										
1.	0	\$488 85	\$609.68	\$120 83	24 72%	0	\$488.85	\$609 68	\$120 83	24 72%
2	5	\$497 19	\$621 81	\$124 62	25 06%	5	\$497 17	\$620.96	\$123 79	24 90%
3.	10	\$505 53	\$633 95	\$128 42	25 40%	10	\$505 49	\$632.23	\$126.74	25 07%
4	20	\$522 21	\$658.21	\$136 00	26 04%	20	\$522 13	\$654.78	\$132 65	25 41%
5.	50	\$572 24	\$731.00	\$158 76	27.74%	50	\$572 03	\$722 42	\$150 39	26 29%
6.	75	\$613 93	\$791 66	\$177.73	28 95%	75	\$613 62	\$778 79	\$165 17	26 92%
7.	100	\$655 62	\$852 31	\$196 69	30.00%	100	\$655 21	\$835 16	\$179 95	27.46%
8.	150	\$739 00	\$973.63	\$234 63	31 75%	150	\$738 39	\$947 90	\$209 51	28 37%
9.	200	\$822 38	\$1,094 95	\$272 57	33 14%	200	\$821 57	\$1,060 64	\$239 07	29 10%
10	300	\$989 15	\$1,337 58	\$348.43	35.23%	300	\$987 93	\$1,286 12	\$298 19	30 18%
11	400	\$1,155 91	\$1,580 21	\$424 30	36 71%	400	\$1,154 29	\$1,511.59	\$357.30	30 95%
12	500	\$1,322 68	\$1,822 84	\$500 16	37 81%	500	\$1,320 65	\$1,737 07	\$416 42	31 53%
13.	750	\$1,739 59	\$2,429 42	\$689 83	39 65%	750	\$1,736 54	\$2,300 77	\$564 23	32 49%
14	1,000	\$2,156 50	\$3,036 00	\$879 50	40 78%	1,000	\$2,152 44	\$2,864 46	\$712 02	33.08%
TARIFF AREA NUMBER 2:										
15	0	\$488 85	\$609 68	\$120 83	24 72%	0	\$488 85	\$609 68	\$120 83	24 72%
16.	5	\$497 52	\$622 25	\$124 73	25 07%	5	\$497 66	\$621.62	\$123 96	24 91%
17	10	\$506 18	\$634 83	\$128 65	25 42%	10	\$506 46	\$633.55	\$127.09	25 09%
18.	20	\$523 51	\$659 97	\$136 46	26 07%	20	\$524.07	\$657 43	\$133 36	25 45%
19	50	\$575 48	\$735 41	\$159 93	27 79%	50	\$576 91	\$729 04	\$152 13	26 37%
20.	75	\$618 80	\$798 27	\$179 47	29 00%	75	\$620 93	\$788.72	\$167 79	27.02%
21	100	\$662 11	\$861 14	\$199 03	30 06%	100	\$664 96	\$848 40	\$183 44	27 59%
22.	150	\$748 75	\$986 87	\$238 12	31 80%	150	\$753 01	\$967 76	\$214 75	28 52%
23.	200	\$835 38	\$1,112 59	\$277 21	33 18%	200	\$841 06	\$1,087.11	\$246 05	29 25%
24.	300	\$1,008 64	\$1,364 05	\$355 41	35 24%	300	\$1,017 16	\$1,325 83	\$308 67	30 35%
25.	400	\$1,181 90	\$1,615 51	\$433 61	36 69%	400	\$1,193 26	\$1,564 54	\$371 28	31 11%
26	500	\$1,355 16	\$1,866 96	\$511 80	37.77%	500	\$1,369 37	\$1,803 26	\$433.89	31 69%
27.	750	\$1,788 31	\$2,495 60	\$707 29	39 55%	750	\$1,809 62	\$2,400 05	\$590.43	32 63%
28	1,000	\$2,221 46	\$3,124.25	\$902.79	40 64%	1,000	\$2,249 88	\$2,996 83	\$746 95	33 20%
TARIFF AREA NUMBER 3:										
29	0	\$488 85	\$609 68	\$120 83	24.72%					
30	5	\$497 87	\$622 74	\$124 87	25 08%					
31	10	\$506 89	\$635.79	\$128.90	25 43%					
32.	20	\$524 93	\$661 90	\$136 97	26 09%					
33	50	\$579 04	\$740 24	\$161 20	27 84%					
34	75	\$624.13	\$805 51	\$181 38	29 06%					
35	100	\$669 22	\$870 79	\$201.57	30 12%					
36	150	\$759 40	\$1,001 34	\$241 94	31 86%					
37	200	\$849 59	\$1,131 90	\$282 31	33 23%					
38	300	\$1,029 95	\$1,393 01	\$363 06	35 25%					
39	400	\$1,210 32	\$1,654 12	\$443 80	36 67%					
40	500	\$1,390 68	\$1,915 22	\$524.54	37 72%					
41	750	\$1,841 60	\$2,568 00	\$726 40	39 44%					
42	1,000	\$2,292 51	\$3,220 77	\$928 26	40 49%					

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 8" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-18

Line Number	SAN JOSE HILLS Service Area, 8 Inch Meter						WHITTIER / LA MIRADA Service Area, 8 Inch Meter					
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase			
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent		WLM-2 Rates	Proposed WLM-2 Rates	Dollars	Percent		
TARIFF AREA NUMBER 1:												
1	0	\$782 15	\$975 49	\$193 34	24 72%	0	\$782 15	\$975 49	\$193 34	24 72%		
2	5	\$790 49	\$987 62	\$197 13	24 94%	5	\$790 47	\$986 77	\$196 30	24 83%		
3	10	\$798 83	\$999 75	\$200 92	25 15%	10	\$798 78	\$998 04	\$199 26	24 95%		
4	20	\$815 50	\$1,024 02	\$208 52	25 57%	20	\$815 42	\$1,020 59	\$205 17	25 16%		
5	50	\$865 53	\$1,096 81	\$231 28	26 72%	50	\$865 33	\$1,088 23	\$222 90	25 76%		
6	75	\$907 22	\$1,157 47	\$250 25	27 58%	75	\$906 92	\$1,144 60	\$237 68	26 21%		
7	100	\$948 91	\$1,218 12	\$269 21	28 37%	100	\$948 51	\$1,200 97	\$252 46	26 62%		
8	150	\$1,032 30	\$1,339 44	\$307 14	29 75%	150	\$1,031 69	\$1,313 71	\$282 02	27 34%		
9	200	\$1,115 68	\$1,460 75	\$345 07	30 93%	200	\$1,114 87	\$1,426 45	\$311 58	27 95%		
10	300	\$1,282 44	\$1,703 39	\$420 95	32 82%	300	\$1,281 22	\$1,651 93	\$370 71	28 93%		
11	400	\$1,449 21	\$1,946 02	\$496 81	34 28%	400	\$1,447 58	\$1,877 40	\$429 82	29 69%		
12	500	\$1,615 97	\$2,188 65	\$572 68	35 44%	500	\$1,613 94	\$2,102 88	\$488 94	30 29%		
13	750	\$2,032 88	\$2,795 23	\$762 35	37 50%	750	\$2,029 84	\$2,666 58	\$636 74	31 37%		
14	1,000	\$2,449 79	\$3,401 81	\$952 02	38 86%	1,000	\$2,445 73	\$3,230 27	\$784 54	32 08%		
TARIFF AREA NUMBER 2:												
15	0	\$782.15	\$975 49	\$193 34	24 72%	0	\$782 15	\$975 49	\$193 34	24 72%		
16	5	\$790 81	\$988 06	\$197 25	24 94%	5	\$790 95	\$987 43	\$196 48	24 84%		
17	10	\$799 47	\$1,000 64	\$201 17	25 16%	10	\$799 76	\$999 36	\$199 60	24 96%		
18	20	\$816 80	\$1,025 78	\$208 98	25 59%	20	\$817 37	\$1,023 23	\$205 86	25 19%		
19	50	\$868 78	\$1,101 22	\$232 44	26 75%	50	\$870 20	\$1,094 85	\$224 65	25 82%		
20	75	\$912 09	\$1,164 08	\$251 99	27 63%	75	\$914 23	\$1,154 53	\$240 30	26 28%		
21	100	\$955 41	\$1,226 95	\$271 54	28 42%	100	\$958 25	\$1,214 21	\$255 96	26 71%		
22	150	\$1,042 04	\$1,352 68	\$310 64	29 81%	150	\$1,046 30	\$1,333 56	\$287 26	27 45%		
23	200	\$1,128 67	\$1,478 40	\$349 73	30 99%	200	\$1,134 35	\$1,452 92	\$318 57	28 08%		
24	300	\$1,301 93	\$1,729 86	\$427 93	32 87%	300	\$1,310 46	\$1,691 64	\$381 18	29 09%		
25	400	\$1,475 19	\$1,981 32	\$506 13	34 31%	400	\$1,486 56	\$1,930 35	\$443 79	29 85%		
26	500	\$1,648 45	\$2,232 77	\$584 32	35 45%	500	\$1,662 66	\$2,169 07	\$506 41	30 46%		
27	750	\$2,081 60	\$2,861 41	\$779 81	37 46%	750	\$2,102 92	\$2,765 86	\$662 94	31 52%		
28	1,000	\$2,514 75	\$3,490 06	\$975 31	38 78%	1,000	\$2,543 17	\$3,362 64	\$819 47	32 22%		
TARIFF AREA NUMBER 3:												
29	0	\$782 15	\$975 49	\$193 34	24 72%							
30	5	\$791 17	\$988 55	\$197 38	24 95%							
31	10	\$800 19	\$1,001 60	\$201 41	25 17%							
32	20	\$818 22	\$1,027 71	\$209 49	25 60%							
33	50	\$872 33	\$1,106 05	\$233 72	26 79%							
34	75	\$917 42	\$1,171 32	\$253 90	27 68%							
35	100	\$962 51	\$1,236 60	\$274 09	28 48%							
36	150	\$1,052 70	\$1,367 15	\$314 45	29 87%							
37	200	\$1,142 88	\$1,497 71	\$354 83	31 05%							
38	300	\$1,323 25	\$1,758 82	\$435 57	32 92%							
39	400	\$1,503 61	\$2,019 93	\$516 32	34 34%							
40	500	\$1,683 98	\$2,281 03	\$597 05	35 45%							
41	750	\$2,134 89	\$2,933 81	\$798 92	37 42%							
42	1,000	\$2,585 80	\$3,586 58	\$1,000 78	38 70%							

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS SERVICE AREA
 COMPARISON OF PRESENT AND PROPOSED RATES - MONTHLY BILLS FOR 10" NON RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE 1 50%

TABLE 12-19

Line Number	SAN JOSE HILLS Service Area, 10 Inch Meter				
	Usage in Ccf	Monthly Bill, Dollars		Increase	
		Present SJH-2 Rates	Proposed SJH-2 Rates	Dollars	Percent
TARIFF AREA NUMBER 1:					
1	0	\$1,124 35	\$1,402 27	\$277.92	24.72%
2.	3	\$1,129 35	\$1,409 55	\$280 20	24.81%
3	5	\$1,132 68	\$1,414.40	\$281 72	24.87%
4.	10	\$1,141 02	\$1,426 53	\$285 51	25.02%
5.	25	\$1,166 04	\$1,462 93	\$296 89	25.46%
6	50	\$1,207 73	\$1,523 58	\$315 85	26.15%
7.	75	\$1,249 42	\$1,584 24	\$334 82	26.80%
8	100	\$1,291.11	\$1,644 90	\$353 79	27.40%
9.	125	\$1,332 80	\$1,705 56	\$372 76	27.97%
10	150	\$1,374 49	\$1,766.22	\$391 73	28.50%
11	200	\$1,457 87	\$1,887 53	\$429 66	29.47%
12	250	\$1,541 26	\$2,008 85	\$467 59	30.34%
13	375	\$1,749 71	\$2,312 14	\$562 43	32.14%
14	500	\$1,958 17	\$2,615 43	\$657 26	33.57%
TARIFF AREA NUMBER 2:					
15	0	\$1,124 35	\$1,402 27	\$277 92	24.72%
16	3	\$1,129 54	\$1,409 81	\$280 27	24.81%
17	5	\$1,133 01	\$1,414 84	\$281 83	24.87%
18	10	\$1,141 67	\$1,427 41	\$285 74	25.03%
19	25	\$1,167 66	\$1,465 13	\$297 47	25.48%
20	50	\$1,210 98	\$1,528 00	\$317 02	26.18%
21	75	\$1,254.29	\$1,590 86	\$336 57	26.83%
22	100	\$1,297 61	\$1,653 73	\$356 12	27.44%
23	125	\$1,340 92	\$1,716 59	\$375 67	28.02%
24	150	\$1,384 24	\$1,779 45	\$395 21	28.55%
25	200	\$1,470 87	\$1,905 18	\$434 31	29.53%
26	250	\$1,557 50	\$2,030 91	\$473 41	30.40%
27.	375	\$1,774 07	\$2,345 23	\$571 16	32.19%
28	500	\$1,990 65	\$2,659 55	\$668 90	33.60%
TARIFF AREA NUMBER 3:					
29	0	\$1,124 35	\$1,402 27	\$277 92	24.72%
30	3	\$1,129 76	\$1,410 10	\$280 34	24.81%
31	5	\$1,133 36	\$1,415 32	\$281 96	24.88%
32.	10	\$1,142 38	\$1,428 38	\$286 00	25.04%
33.	25	\$1,169 44	\$1,467.55	\$298 11	25.49%
34	50	\$1,214 53	\$1,532 82	\$318 29	26.21%
35.	75	\$1,259 62	\$1,598 10	\$338 48	26.87%
36.	100	\$1,304 71	\$1,663 38	\$358 67	27.49%
37	125	\$1,349 80	\$1,728 65	\$378 85	28.07%
38	150	\$1,394 89	\$1,793 93	\$399 04	28.61%
39.	200	\$1,485 08	\$1,924 49	\$439 41	29.59%
40	250	\$1,575 26	\$2,055 04	\$479 78	30.46%
41	375	\$1,800 72	\$2,381 43	\$580 71	32.25%
42	500	\$2,026 17	\$2,707 81	\$681 64	33.64%

SUBURBAN WATER SYSTEMS
 CONSERVATION USAGE RATES FOR RESIDENTIAL CUSTOMERS AT PRESENT RATES
 SAN JOSE HILLS, and WHITTIER/LA MIRADA SERVICE AREAS

TABLE 12-20

Line Number	SAN JOSE HILLS SERVICE AREA				
		Estimated Usage (Ccf)		Test Year Usage (Ccf)	
		2010	2011	2012	2013
1	Tariff Area 1	4,332,967	4,292,997	4,233,499	4,175,977
2	Tariff Area 2	3,650,763	3,617,087	3,566,956	3,518,491
3	Tariff Area 3	833,069	825,384	813,945	802,885
4		8,816,799	8,735,468	8,614,400	8,497,353

	WHITTIER/LA MIRADA SERVICE AREA				
		Estimated Usage (Ccf)		Test Year Usage (Ccf)	
		2010	2011	2012	2013
Tariff Area 1	472,460	466,040	462,296	458,555	
Tariff Area 2	6,039,889	5,957,805	5,909,944	5,862,119	
Tariff Area 3	46,507	45,875	45,506	45,138	
	6,558,856	6,469,720	6,417,746	6,365,812	

PRESENT RATES			Adopted 2007 Usage
5	T.A. 1	Tier 1	3,976,660
6		Tier 2	1,057,975
7	T.A. 2	Tier 1	3,110,966
8		Tier 2	1,054,384
9	T.A. 3	Tier 1	801,425
10		Tier 2	177,075
11			10,178,485

PRESENT RATES			Adopted 2007 Usage
T.A. 1	Tier 1		444,044
	Tier 2		81,812
T.A. 2	Tier 1		5,191,064
	Tier 2		1,311,752
T.A. 3	Tier 1		23,179
	Tier 2		21,875
			7,073,726

Line	Tariff Area	Tier	Estimated Usage (Ccf)		Test Year Usage (Ccf)	
			2010	2011	2012	2013
			12	Tariff Area 1	Tier 1	3,422,440	3,390,869	3,343,874	3,298,440
13		Tier 2	910,527	902,128	889,625	877,537
14	Tariff Area 2	Tier 1	2,726,638	2,701,486	2,664,045	2,627,848
15		Tier 2	924,125	915,601	902,911	890,643
16	Tariff Area 3	Tier 1	682,312	676,018	666,649	657,590
17		Tier 2	150,757	149,366	147,296	145,295
18			8,816,799	8,735,468	8,614,400	8,497,353
	check		8,816,799	8,735,468	8,614,400	8,497,353
			0	0	0	0

	Tariff Area	Tier	Estimated Usage (Ccf)		Test Year Usage (Ccf)	
			2010	2011	2012	2013
			Tariff Area 1	Tier 1	398,955	393,534	390,373	387,214
	Tier 2	73,505	72,506	71,923	71,341	
Tariff Area 2	Tier 1	4,821,519	4,755,993	4,717,787	4,679,609	
	Tier 2	1,218,370	1,201,812	1,192,157	1,182,510	
Tariff Area 3	Tier 1	23,927	23,601	23,412	23,222	
	Tier 2	22,580	22,274	22,094	21,916	
			6,558,856	6,469,720	6,417,746	6,365,812
	check		6,558,856	6,469,720	6,417,746	6,365,812
			0	0	0	0

Line	T.A.	Tier	Present Rate/Ccf	Estimated Revenue (\$)		Test Year Revenue (\$)	
				2010	2011	2012	2013
				19	T.A. 1	Tier 1	\$1 600	$5,349,274	$5,425,391	$5,350,199	$5,277,504
20		Tier 2	\$1 796	\$1,597,975	\$1,620,221	\$1,597,766	\$1,576,057
21	T.A. 2	Tier 1	\$1 665	\$4,436,239	\$4,497,974	\$4,435,635	\$4,375,367
22		Tier 2	\$1 835	\$1,656,957	\$1,680,128	\$1,656,842	\$1,634,330
23	T.A. 3	Tier 1	\$1.736	\$1,157,201	\$1,173,567	\$1,157,302	\$1,141,577
24		Tier 2	\$1 985	\$292,318	\$296,492	\$292,383	\$288,410
25				\$14,489,964	\$14,693,773	\$14,490,127	\$14,293,244

	T.A.	Tier	Present Rate/Ccf	Estimated Revenue (\$)		Test Year Revenue (\$)	
				2010	2011	2012	2013
				T.A. 1	Tier 1	\$1 599	\$623,168	$629,261	$624,206	$619,155
	Tier 2	\$1.806	\$129,662	\$130,946	\$129,894	\$128,843	
T.A. 2	Tier 1	\$1 700	\$8,008,543	\$8,085,188	\$8,020,237	\$7,955,335	
	Tier 2	\$1 874	\$2,230,836	\$2,252,196	\$2,234,103	\$2,216,024	
T.A. 3	Tier 1	\$1 838	\$42,972	\$43,379	\$43,030	\$42,682	
	Tier 2	\$1 992	\$43,942	\$44,369	\$44,012	\$43,656	
			(b)	\$11,079,123	\$11,185,339	\$11,095,482	\$11,005,695

2010 Rates

T.A. 1 - Tier 1	\$1 563	T.A. 3 - Tier 1	\$1 696
T.A. 1 - Tier 2	\$1 755	T.A. 3 - Tier 2	\$1 939
T.A. 2 - Tier 1	\$1 627		
T.A. 2 - Tier 2	\$1 793		

2010 Rates

T.A. 1 - Tier 1	\$1 562	T.A. 3 - Tier 1	\$1 796
T.A. 1 - Tier 2	\$1 764	T.A. 3 - Tier 2	\$1 946
T.A. 2 - Tier 1	\$1 661		
T.A. 2 - Tier 2	\$1 831		

SUBURBAN WATER SYSTEMS
 CONSERVATION USAGE RATES FOR RESIDENTIAL CUSTOMERS AT PROPOSED RATES
 SAN JOSE HILLS, and WHITTIER/LA MIRADA SERVICE AREAS

TABLE 12-21

		SAN JOSE HILLS SERVICE AREA RESIDENTIAL SALES (601.11.)		
Line Number	Usage by Tariff Area	2012 @ 2012 Rates	2013 @ 2012 Rates	2013 @ 2013 Rates
1	Tariff Area 1 Usage	4,233,499	4,175,977	4,175,977
2	Tariff Area 2 Usage	3,566,956	3,518,491	3,518,491
3	Tariff Area 3 Usage	813,945	802,885	802,885
4	SUBTOTAL USAGE	8,614,400	8,497,353	8,497,353
<u>Usage Rate by Tariff Area per 100 cubic feet</u>				
5	Tariff Area 1 Usage	\$2 390	\$2 390	\$2 502
6	Tariff Area 2 Usage	\$2.477	\$2 477	\$2 593
7	Tariff Area 3 Usage	\$2 572	\$2 572	\$2 692
<u>Usage Revenue by Tariff Area</u>				
8	Tariff Area 1 Usage	\$10,120,004	\$9,982,500	\$10,448,898
9	Tariff Area 2 Usage	\$8,836,786	\$8,716,719	\$9,122,385
10	Tariff Area 3 Usage	\$2,093,872	\$2,065,420	\$2,161,158
11	SUBTOTAL USAGE REVENUE	\$21,050,662	\$20,764,639	\$21,732,441 (c)

<u>CONSERVATION USAGE BY Tariff Area (Ccf)</u>				
12	Tariff Area 1 Tier 1	3,343,874	3,298,440	3,298,440
13	Tier 2	889,625	877,537	877,537
14	Tariff Area 2 Tier 1	2,664,045	2,627,848	2,627,848
15	Tier 2	902,911	890,643	890,643
16	Tariff Area 3 Tier 1	666,649	657,590	657,590
17	Tier 2	147,296	145,295	145,295
18		8,614,400	8,497,353	8,497,353

<u>CONSERVATION USAGE RATE by ZONE per 100 CUBIC FEET = (c / b) x a</u>				
19	T.A. 1 Tier 1	\$2.324	\$2.324	\$2.433
20	Tier 2	\$2.609	\$2.609	\$2.731
21	T.A. 2 Tier 1	\$2.419	\$2.419	\$2.532
22	Tier 2	\$2.666	\$2.666	\$2.790
23	T.A. 3 Tier 1	\$2.522	\$2.522	\$2.640
24	Tier 2	\$2.884	\$2.884	\$3.018

<u>CONSERVATION USAGE REVENUE BY ZONE</u>				
25	T A 1 Tier 1	\$7,772,549	\$7,666,941	\$8,024,283
26	Tier 2	\$2,321,169	\$2,289,631	\$2,396,346
27	T A 2 Tier 1	\$6,443,908	\$6,356,353	\$6,652,611
28	Tier 2	\$2,406,992	\$2,374,288	\$2,484,949
29	T A 3 Tier 1	\$1,681,281	\$1,658,436	\$1,735,733
30	Tier 2	\$424,762	\$418,990	\$438,519
31		\$21,050,662	\$20,764,639	\$21,732,441
	check	21,050,662	20,764,639	21,732,441
		0	0	0

		WHITTIER/LA MIRADA SERVICE AREA RESIDENTIAL SALES (601.11.)		
Line Number	Usage by Tariff Area	2012 @ 2012 Rates	2013 @ 2012 Rates	2013 @ 2013 Rates
	Tariff Area 1 Usage	462,296	458,555	458,555
	Tariff Area 2 Usage	5,909,944	5,862,119	5,862,119
	Tariff Area 3 Usage	45,506	45,138	45,138
	SUBTOTAL USAGE	6,417,746	6,365,812	6,365,812
<u>Usage Rate by Tariff Area per 100 cubic feet</u>				
	Tariff Area 1 Usage	\$2 221	\$2 221	\$2.316
	Tariff Area 2 Usage	\$2 352	\$2 352	\$2 452
	Tariff Area 3 Usage	\$2 572	\$2 572	\$2.681
<u>Usage Revenue by Tariff Area</u>				
	Tariff Area 1 Usage	\$1,026,971	\$1,018,661	\$1,062,080
	Tariff Area 2 Usage	\$13,899,447	\$13,786,969	\$14,373,768
	Tariff Area 3 Usage	\$117,039	\$116,093	\$121,023
	SUBTOTAL USAGE REVENUE	\$15,043,457	\$14,921,723	\$15,556,871 (c)

<u>CONSERVATION USAGE BY Tariff Area (Ccf)</u>				
	Tariff Area Tier 1	390,373	387,214	387,214
	Tier 2	71,923	71,341	71,341
	Tariff Area Tier 1	4,717,787	4,679,609	4,679,609
	Tier 2	1,192,157	1,182,510	1,182,510
	Tariff Area Tier 1	23,412	23,222	23,222
	Tier 2	22,094	21,916	21,916
		6,417,746	6,365,812	6,365,812

<u>CONSERVATION USAGE RATE by ZONE per 100 CUBIC FEET = (c / b) x a</u>				
	T.A. 1 Tier 1	\$2.168	\$2.168	\$2.260
	Tier 2	\$2.449	\$2.449	\$2.553
	T.A. 2 Tier 1	\$2.305	\$2.305	\$2.403
	Tier 2	\$2.541	\$2.541	\$2.649
	T.A. 3 Tier 1	\$2.492	\$2.492	\$2.598
	Tier 2	\$2.701	\$2.701	\$2.816

<u>CONSERVATION USAGE REVENUE BY T A</u>				
	T A 1 Tier 1	\$846,310	\$839,461	\$875,193
	Tier 2	\$176,112	\$174,687	\$182,123
	T A 2 Tier 1	\$10,873,984	\$10,785,988	\$11,245,098
	Tier 2	\$3,029,038	\$3,004,526	\$3,132,415
	T A 3 Tier 1	\$58,341	\$57,870	\$60,333
	Tier 2	\$59,672	\$59,190	\$61,709
		\$15,043,457	\$14,921,722	\$15,556,871
	check	15,043,457	14,921,723	15,556,871
		0	1	0

SUBURBAN WATER SYSTEMS
 SAN JOSE HILLS, WHITTIER/LA MIRADA SERVICE AREAS
 COMPARISON OF PRESENT (UNIFORM) RATES AND PROPOSED MONTHLY BILLS FOR 3" WTH CONSERVATION RATES - RESIDENTIAL METERED SERVICE
 BILLS INCLUDE PUC REIMBURSEMENT SURCHARGE @ 1.50%

TABLE 12-27

Line Number	SAN JOSE HILLS Service Area, 3 Inch Meter					WHITTIER / LA MIRADA Service Area, 3 Inch Meter				
	Usage in Ccf	Monthly Bill, Dollars		Increase		Usage in Ccf	Monthly Bill, Dollars		Increase	
		Uniform Rates SJH-2 Rates	Conservation Rate SJH-1 Rates	Dollars	Percent		Uniform Rates WLM-2 Rates	Conservation Rate WLM-1 Rates	Dollars	Percent
TARIFF AREA NUMBER 1:										
1	0	\$146.65	\$182.90	\$36.25	24.72%	0	\$146.65	\$182.90	\$36.25	24.72%
2	5	\$154.99	\$194.70	\$39.71	25.62%	5	\$154.97	\$193.91	\$38.94	25.13%
3	10	\$163.32	\$206.50	\$43.18	26.44%	10	\$163.28	\$204.91	\$41.63	25.50%
4	20	\$180.00	\$230.09	\$50.09	27.83%	20	\$179.92	\$226.91	\$46.99	26.12%
5	50	\$230.03	\$300.87	\$70.84	30.80%	50	\$229.83	\$292.93	\$63.10	27.46%
6	75	\$271.72	\$359.85	\$88.13	32.43%	75	\$271.42	\$347.94	\$76.52	28.19%
7	100	\$313.41	\$418.83	\$105.42	33.64%	100	\$313.01	\$402.95	\$89.94	28.73%
8	150	\$396.79	\$536.80	\$140.01	35.29%	150	\$396.18	\$512.98	\$116.80	29.48%
9	200	\$480.18	\$654.76	\$174.58	36.36%	200	\$479.36	\$623.00	\$143.64	29.96%
10	300	\$646.94	\$890.69	\$243.75	37.68%	300	\$645.72	\$843.05	\$197.33	30.56%
11	400	\$813.71	\$1,149.45	\$335.74	41.26%	400	\$812.08	\$1,085.60	\$273.52	33.68%
12	500	\$980.47	\$1,414.28	\$433.81	44.25%	500	\$978.44	\$1,334.13	\$355.69	36.35%
13	750	\$1,397.38	\$2,076.35	\$678.97	48.59%	750	\$1,394.34	\$1,955.47	\$561.13	40.24%
14	1,000	\$1,814.29	\$2,738.42	\$924.13	50.94%	1,000	\$1,810.23	\$2,576.80	\$766.57	42.35%
TARIFF AREA NUMBER 2:										
15	0	\$146.65	\$182.90	\$36.25	24.72%	0	\$146.65	\$182.90	\$36.25	24.72%
16	5	\$155.31	\$195.18	\$39.87	25.67%	5	\$155.45	\$194.60	\$39.15	25.18%
17	10	\$163.97	\$207.46	\$43.49	26.52%	10	\$164.26	\$206.30	\$42.04	25.59%
18	20	\$181.30	\$232.01	\$50.71	27.97%	20	\$181.87	\$229.69	\$47.82	26.29%
19	50	\$233.28	\$305.66	\$72.38	31.03%	50	\$234.70	\$299.88	\$65.18	27.77%
20	75	\$276.59	\$367.04	\$90.45	32.70%	75	\$278.72	\$358.36	\$79.64	28.57%
21	100	\$319.91	\$428.42	\$108.51	33.92%	100	\$322.75	\$416.85	\$94.10	29.16%
22	150	\$406.54	\$551.17	\$144.63	35.58%	150	\$410.80	\$533.82	\$123.02	29.95%
23	200	\$493.17	\$673.93	\$180.76	36.65%	200	\$498.85	\$650.80	\$151.95	30.46%
24	300	\$666.43	\$919.44	\$253.01	37.96%	300	\$674.95	\$884.74	\$209.79	31.08%
25	400	\$839.69	\$1,184.76	\$345.07	41.09%	400	\$851.06	\$1,137.61	\$286.55	33.67%
26	500	\$1,012.95	\$1,455.34	\$442.39	43.67%	500	\$1,027.16	\$1,395.50	\$368.34	35.86%
27	750	\$1,446.10	\$2,131.79	\$685.69	47.42%	750	\$1,467.42	\$2,040.23	\$572.81	39.04%
28	1,000	\$1,879.25	\$2,808.24	\$928.99	49.43%	1,000	\$1,907.67	\$2,684.96	\$777.29	40.75%
TARIFF AREA NUMBER 3:										
29	0	\$146.65	\$182.90	\$36.25	24.72%	0	\$146.65	\$182.90	\$36.25	24.72%
30	5	\$155.67	\$195.70	\$40.03	25.71%	5	\$156.27	\$195.55	\$39.28	25.14%
31	10	\$164.68	\$208.50	\$43.82	26.61%	10	\$165.90	\$208.20	\$42.30	25.50%
32	20	\$182.72	\$234.10	\$51.38	28.12%	20	\$185.16	\$233.49	\$48.33	26.10%
33	50	\$236.83	\$310.90	\$74.07	31.28%	50	\$242.92	\$309.37	\$66.45	27.35%
34	75	\$281.92	\$374.89	\$92.97	32.98%	75	\$291.06	\$372.61	\$81.55	28.02%
35	100	\$327.01	\$438.89	\$111.88	34.21%	100	\$339.19	\$435.84	\$96.65	28.49%
36	150	\$417.20	\$566.88	\$149.68	35.88%	150	\$435.47	\$562.31	\$126.84	29.13%
37	200	\$507.38	\$694.87	\$187.49	36.95%	200	\$531.74	\$688.78	\$157.04	29.53%
38	300	\$687.74	\$950.85	\$263.11	38.26%	300	\$724.28	\$941.72	\$217.44	30.02%
39	400	\$868.11	\$1,235.84	\$367.73	42.36%	400	\$916.83	\$1,211.40	\$294.57	32.13%
40	500	\$1,048.47	\$1,528.54	\$480.07	45.79%	500	\$1,109.37	\$1,485.53	\$376.16	33.91%
41	750	\$1,499.39	\$2,260.28	\$760.89	50.75%	750	\$1,590.74	\$2,170.85	\$580.11	36.47%
42	1,000	\$1,950.30	\$2,992.03	\$1,041.73	53.41%	1,000	\$2,072.10	\$2,856.18	\$784.08	37.84%

Tier 1, Up To Ccf 321
 Tier 2, Over Ccf 321

13 Chapter - Water Quality Issues

See testimony of S.B. Johnson

14 Chapter - Qualifications and Prepared Testimony

Because testimony is served but not filed, it will be provided separately.

15 Chapter - Proposed Schedule For The Case

<u>EVENT</u>	<u>DATE</u>	<u>14-Month Schedule</u>
Proposed Application Tendered	Wednesday, December 1, 2010	(60)
Deficiency Letter Mailed	Thursday, December 30, 2010	(30)
Appeal to Executive Director	Tuesday, January 04, 2011	(25)
Executive Director Acts	Monday, January 10, 2011	(20)
Application Filed/Testimony Served	Monday, January 31, 2011	0
PHC & PPH Start Date	Tuesday, February 08, 2011	10
PHC Finish Date	Thursday, April 14, 2011	75
Update of Applicant's Showing Public Participation Hearings (End Date)	Tuesday, March 15, 2011	45
	Friday, April 29, 2011	90
DRA Testimony	Friday, May 06, 2011	97
Other Parties Serve Testimony	Friday, May 06, 2011	97
Rebuttal Testimony	Monday, May 23, 2011	112
ADR Process (Start Date)	Tuesday, May 24, 2011	115
ADR Process (End Date)	Friday, June 03, 2011	125
Evidentiary Hearings (if required - start)	Monday, June 06, 2011	126
Evidentiary Hearings (if required - end)	Wednesday, June 08, 2011	130
Opening Briefs Filed and Served	Friday, July 08, 2011	160
Motion for Interim Rates	Friday, July 08, 2011	160
Mandatory Status Conference	Monday, July 11, 2011	161
Reply Briefs Filed and Served (with Comparison Exhibit)	Monday, July 25, 2011	175
Water Division Technical Conference	Thursday, July 28, 2011	180
Proposed Decision Mailed	Monday, September 26, 2011	240
Comments on Proposed Decision	Monday, October 17, 2011	260
Reply Comments	Friday, October 21, 2011	265
Commission Meeting	Monday, November 07, 2011	280

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B

EXHIBIT B:

Applicant's latest available year end fiscal year income statement.

December 31, 2009

NAME OF UTILI' SUBURBAN WATER SYSTEMS

PHONE (626) 543-2500

INCOME STATEMENT		Amount
23	Unmetered Water Revenue	<u>245,439</u>
24	Fire Protection Revenue	<u>860,872</u>
25	Irrigation Revenue	<u>-</u>
26	Metered Water Revenue	<u>52,617,106</u>
27	Total Operating Revenue	<u>53,723,417</u>
28	<u>Operating Expenses</u>	<u>34,026,404</u>
29	Depreciation Expense (Composite Rate 3.2%)	<u>5,388,806</u>
30	Amortization and Property Losses	<u>47,976</u>
31	Property Taxes	<u>928,726</u>
32	Taxes Other Than Income Taxes	<u>461,992</u>
33	Total Operating Revenue Deduction Before Taxes	<u>40,853,904</u>
34	California Corp. Franchise Tax	<u>526,321</u>
35	Federal Corporate Income Tax	<u>3,421,487</u>
36	Total Operating Revenue Deduction After Taxes	<u>44,801,712</u>
37	Net Operating Income (Loss) - California Water Operations	<u>8,921,705</u>
38	Other Operating and Nonoperating. Income and Exp. - Net (Exclude Interest Expense)	<u>(128,013)</u>
39	Income Available for Fixed Charges	<u>8,793,692</u>
40	Interest Expense	<u>1,497,524</u>
41	Net Income (Loss) Before Dividends	<u>7,296,168</u>
42	Preferred Stock Dividends	<u>168,792</u>
43	Net Income (Loss) Available for Common Stock	<u>7,127,376</u>

EXHIBIT B:

December 31, 2009

Applicant's latest available year end fiscal year balance sheet.

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. UTILITY PLANT			
2	100	Utility plant	A-1	182,447,412	175,959,241
3	107	Utility plant adjustments		0	0
4		Total utility plant		182,447,412	175,959,241
5	250	Reserve for depreciation of utility plant	A-3	(59,916,140)	(55,569,839)
6	251	Reserve for amortization of limited term utility investments	A-3	(239,863)	(190,243)
7	252	Reserve for amortization of utility plant acquisition adjustment	A-3	17,540	15,896
8		Total utility plant reserves		(60,138,463)	(55,744,186)
9		Total utility plant less reserves		122,308,949	120,215,055
10					
11		II. INVESTMENT AND FUND ACCOUNTS			
12	110	Other physical property	A-2	116,145	116,145
13	253	Reserve for depreciation and amortization of other property	A-3	(25,225)	(25,225)
14		Other physical property less reserve		90,920	90,920
15	111	Investments in associated companies	A-4	0	0
16	112	Other investments	A-5	0	0
17	113	Sinking funds	A-6	0	0
18	114	Miscellaneous special funds	A-7	0	0
19		Total investments and fund accounts		90,920	90,920
20					
21		III. CURRENT AND ACCRUED ASSETS			
22	120	Cash		40,787	51,056
23	121	Special deposits	A-8	0	0
24	122	Working funds		2,957	1,814
25	123	Temporary cash investments		0	0
26	124	Notes receivable	A-9	0	0
27	125	Accounts receivable		4,303,839	4,752,217
28	126	Receivables from associated companies	A-10	8,948,639	7,738,336
29	131	Materials and supplies		198,499	257,757
30	132	Prepayments	A-11	116,862	753,071
31	133	Other current and accrued assets	A-12	0	0
32		Total current and accrued assets		13,611,583	13,554,251
33					
34		IV. DEFERRED DEBITS			
35	140	Unamortized debt discount and expense	A-13	908,209	970,347
36	141	Extraordinary property losses	A-14	0	0
37	142	Preliminary survey and investigation charges		0	0
38	143	Clearing accounts		0	0
39	145	Other work in progress		13,093	9,481
40	146	Other deferred debits	A-15	7,341,009	6,628,230
41		Total deferred debits		8,262,311	7,608,058
42		Total assets and other debits		144,273,762	141,468,284
43					

EXHIBIT B

December 31, 2009

Applicant's latest available year end fiscal year balance sheet.

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. CORPORATE CAPITAL AND SURPLUS			
2	200	Common capital stock	A-18	745,380	745,380
3	201	Preferred capital stock	A-18	3,982,267	3,982,267
4	202	Stock liability for conversion		0	0
5	203	Premiums and assessments on capital stock	A-19	126,550	126,550
6	150	Discount on capital stock	A-16	0	0
7	151	Capital stock expense	A-17	0	0
8	270	Capital surplus	A-20	4,881,844	4,881,844
9	271	Earned surplus	A-21	50,790,600	49,059,544
10		Total corporate capital and surplus		60,526,641	58,795,585
11					
12		II. PROPRIETARY CAPITAL			
13	204	Proprietary capital (Individual or partnership)	A-22	0	0
14	205	Undistributed profits of proprietorship or partnership	A-23	0	0
15		Total proprietary capital		0	0
16					
17		III. LONG-TERM DEBT			
18	210	Bonds	A-24	33,000,000	33,000,000
19	211	Receivers' certificates			
20	212	Advances from associated companies	A-25	0	0
21	213	Miscellaneous long-term debt	A-26	0	0
22		Total long-term debt		33,000,000	33,000,000
23					
24		IV. CURRENT AND ACCRUED LIABILITIES			
25	220	Notes payable	A-28	0	0
26	221	Notes receivable discounted		0	0
27	222	Accounts payable		2,147,855	1,395,995
28	223	Payables to associated companies	A-29	99,221	99,888
29	224	Dividends declared			
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		408,163	305,874
33	228	Taxes accrued	A-31	20,524	107,220
34	229	Interest accrued		601,736	610,483
35	230	Other current and accrued liabilities	A-30	6,862,807	5,355,099
36		Total current and accrued liabilities		10,140,306	7,874,559
37					
38		V. DEFERRED CREDITS			
39	240	Unamortized premium on debt	A-13	0	0
40	241	Advances for construction	A-32	7,638,956	7,238,174
41	242	Other deferred credits	A-33	(3,557,817)	1,082,154
42		Total deferred credits		4,081,139	8,320,328
43					
44		VI. RESERVES			
45	254	Reserve for uncollectible accounts	A-34	79,031	147,094
46	255	Insurance reserve	A-34	0	0
47	256	Injuries and damages reserve	A-34	0	0
48	257	Employees' provident reserve	A-34	0	0
49	258	Other reserves (Deferred income taxes)	A-34	19,394,544	15,736,522
50		Total reserves		19,473,575	15,883,616
51					
52		VII. CONTRIBUTIONS IN AID OF CONSTRUCTION			
53	265	Contributions in aid of construction	A-35	17,052,101	17,594,196
54		Total liabilities and other credits		144,273,762	141,468,284

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**NOTIFICATION OF APPLICATION FILING FOR A PROPOSED RATE INCREASE BY
SUBURBAN WATER SYTEMS
(APPLICATION NO. 11-01-XXX)**

On February 1, 2011, Suburban Water Systems filed a rate increase application (A. _____) with the California Public Utilities Commission (CPUC). The application filing by Suburban seeks authority to increase its rates over a three-year period by \$19,234,576 (or 35.85%) in 2012, by \$3,032,827 (or 4.18%) in 2013, and by \$1,973,200 (or 2.61%) in 2014.

About the Application

The CPUC requires Suburban to submit a general rate case on a three-year cycle. This proposed rate application covers the period for 2012, 2013 and 2014. The table assumes the CPUC approves the full amount of the increase requested by Suburban. The CPUC will render a final decision and the amount of the increase approved by the CPUC could vary from the original proposed request by Suburban. Suburban is requesting the increase take effect January 1, 2012. Additional increases would then take effect January 1, 2013 and January 1, 2014.

Summary

The proposed revenue increase is outlined in the chart below and provides a rate comparison for the current and proposed rate increases spread across the customer classes that Suburban serves.

Proposed Increases
(Dollars in Thousands)

<u>Customer Class</u>	<u>2012</u>		<u>2013</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Residential	13,883.5	35.37	2,186.5	4.15
Business	3,276.2	36.56	517.8	4.23
Industrial	322.1	40.32	51.4	4.43
Public Authority	999.8	36.59	160.6	4.25
Other Utilities	6.7	29.33	1.1	3.8
Construction	12.2	35.62	1.6	4.16
Private Fire Protection	305.6	35.85	49.0	4.15
Fire Hydrant	6.5	35.85	1.1	4.15
Recycled Water	<u>422</u>	43.43	<u>63.6</u>	4.57
Total	19,234.6	35.85	3,032.8	4.18

Note: Forecasted lower sales in most customer classes.

If the increases rates are approved by the Commission as proposed, the impact on the average monthly residential customer's bill using 20 ccf per month for a ¾ inch meter will be as follows:

	<u>2012</u>	<u>2013</u>
<u>San Jose Hills Service Area 1</u>		
Amount of Increase	\$18.32	\$2.84
Percent of Increase	38.85%	4.34%
 <u>Whittier/La Mirada Service Area 2</u>		
Amount of Increase	\$15.90	\$2.62
Percent of Increase	32.33%	4.03%

The monthly charge for private fire service and fire hydrant under proposed rates would be \$18.24 and \$24.14 on January 1, 2012 per inch diameter of service and for each 6 inch.

Primary Drivers of Rate Increase

The proposed rate increase is critical to sustain and improve the integrity of the area's water supply system and offset increases in operational and maintenance costs. These rates will help fund additional water treatment, storage, and distribution facilities to meet expected demands for service, and assure continued compliance with all applicable safe drinking water quality standards.

Obtaining a Copy of the Application

A copy of Suburban's proposed General Rate Case Application and related exhibits may be inspected at all of Suburban Water Systems offices:

San Jose Hills	Whittier/La Mirada	Main Office
Service Area	Service Area	
2235 E. Garvey Avenue	15088 Rosecrans	1211 E. Center Court
North, Suite A	Avenue	Dr.
West Covina, CA 91791	La Mirada, CA 90638	Covina, CA 91724
(626) 543-2640 Phone	(562) 944-8219 Phone	(626) 543-2500 Phone
(626) 543-2664 Fax	(626) 543-2692 Fax	(626) 331-4848

Copies of the application are also available to review at the CPUC's Los Angeles Office at 320 West Fourth Street, Suite 500, Los Angeles, CA 90013.

Evidentiary Hearings

The CPUC may schedule formal evidentiary hearings whereby the formal parties of record provide testimony and are subject to cross examination before the CPUC's assigned Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can participate. The CPUC has their own court reporters who will take the comment of those formal parties of record participating in the evidentiary hearings. Suburban will provide testimony at the hearings. The Division of

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Ratepayer Advocates (DRA) consists of engineers, accountants, economists and attorneys who independently evaluate the proposals of utilities for rate changes and present their analyses and recommendations for the CPUC at evidentiary hearings. Once hearings are completed, the ALJ will consider all of the evidence presented and release the draft decision. The CPUC may approve the proposed requests for Suburban, approve the draft decision by the ALJ, or may approve an alternate decision filed by a CPUC Commissioner. The final decision may differ from Suburban's original proposed request.

Protesting the Application

If you are a formal party to this proceeding, formal protests to this application must be filed with the CPUC's Docket Office.

Public Comment

If you wish to comment on or informally protest this filing as a customer of Suburban, you may do so by contacting the Public Advisor's Office (PAO) via phone or e-mail. Written public comment by Suburban customers is very much desired by the CPUC and may be sent to the PAO at the address shown below. These comments will become part of the formal correspondence file for this proceeding and will be circulated to the assigned ALJ, the assigned Commissioner and appropriate CPUC staff.

Public Advisor's Office

The PAO was established to assist members of the public who wish to protest or participate as a formal party of record in CPUC proceedings. For assistance in filing comments or protests with the CPUC or to participate in this proceeding, please contact the PAO, 320 West Fourth Street, Suite 500, Los Angeles, CA 90013 or E-mail public.advisor.la@cpuc.ca.gov. (213) 576-7055 or toll free at 866-849-8391. Please refer to this proceeding application number when writing or e-mailing the PAO on all correspondences.

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SUBURBAN WATER SYSTEMS

2011 FINAL GENERAL RATE CASE APPLICATION SERVICE LIST

STATE SERVICE LIST

Via Federal Express

*With Exhibits

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California Public Utilities
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*Rami Kahlon, Director
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Via U.S. Mail

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Attorney General
State of California
Department of Justice
P.O. Box 944255
Sacramento, CA 94244-2550

Mr. Scott Harvey, Acting Director
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California Department of Health
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MS 0000
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Dr. Mark Horton, Director
California Department of Public
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SUBURBAN WATER SYSTEMS

2011 FINAL GENERAL RATE CASE APPLICATION SERVICE LIST

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SUBURBAN WATER SYSTEMS

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SUBURBAN WATER SYSTEMS

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E

EXHIBIT E

Comparison Exhibit Explaining Differences
Between The Proposed Application and Application

DOCUMENT	REFERENCE	SHEET TITLE	DIFFERENCE	IMPACT ON REVENUE REQUIREMENT
Application	Pages 1-3	Section I and II - Statement of Relief Sought and Necessity for General Rate Relief.	Dollar amounts and percentages reflect the changes as a result of recent Step Increase and Cost of Capital Increase.	Reduction of \$2,631,138 for 2012
Application	Page 6	Section IV - List of Contentious Issues	Correct deficiency.	\$0
Application	Exhibit A, page 1-1	1.2 Scope of Exhibit	Minor changes in wording.	\$0
Application	Exhibit A, page 2-3	N/A	Update effective dates of advice letters 278-W and 279-W.	\$0
Application	Exhibit A, page 3-2	Analysis of Staffing Position Changes Since The Company's Last GRC.	Minor changes in wording.	\$0
Application	Exhibit A, pages 5-1 - 5-3	N/A	Elaborate on pump tax and purchased water cost increases.	\$0
Application	Exhibit A, pages 5-5	N/A	Elaborate on CR Reimbursements.	\$0
Application	Exhibit A, page 6-1	6.1 Comparison of Company Funded Capital Expenditures Authorized in Last GRC To Amounts Actually Spent	Correct dollar amounts in Table.	\$0
Minimum Data Requirement	Page 3	N/A	Correct deficiency regarding percent increase in number of employees for proposed test year (#7).	\$0
Minimum Data Requirement	Page 3	N/A	Correct deficiency regarding information required in preamble (B).	\$0
Minimum Data Requirement	Page 7	N/A	Correct deficiency regarding information required in preamble (C).	\$0
Minimum Data Requirement	Page 8	N/A	Correct deficiency regarding information required in preamble (D).	\$0

Minimum Data Requirement	Page 9	N/A	Correct deficiency regarding dollar amount for each improvement (nos. 5 and 6).	\$0
Minimum Data Requirement	Page 10	N/A	Correct deficiency regarding a letter from DWR (#1).	\$0
Minimum Data Requirement	Page 10	N/A	Correct deficiency regarding a water loss audit report (#3).	\$0
Minimum Data Requirement	Page 16	N/A	Correct deficiency regarding confirmation of compliance (#17).	\$0
Minimum Data Requirement	Pages 16-17	N/A	Correct deficiency regarding Water Supply and Facilities Master Plan (#18).	\$0
Minimum Data Requirement	Page 24	N/A	Correct deficiency regarding information required in preamble (J).	\$0
Minimum Data Requirement	Page 25	N/A	Correct deficiency regarding information required in preamble (L).	\$0
Workpapers Volume 1 of 3	Pages 12-15, 17-20, 26	Various	Update Service charge and usage rates for years 2011-2013 to reflect recent Step increase and Cost of Capital increase.	Reduction of \$1,212,458 for 2012
Workpapers Volume 1 of 3	Page 89	Table 8-1	Add lines 16-17 Interest During Construction and Amortization	Reduction of \$63,302 for 2012
Workpapers Volume 1 of 3	Page 101	Table 9-3	Add lines 7-9 Bonus Depreciations	Reduction of \$1,355,376 for 2012

F

Suburban Water Systems
 1211 E. Center Court Dr.
 Covina, CA 91724-3603

Revised _____
 Canceling Original _____

Cal. P.U.C. Sheet No. _____
 Cal. P.U.C. Sheet No. _____

Schedule SJ-1

SAN JOSE HILLS SERVICE AREA
RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water service.

TERRITORY

Portions of Covina, West Covina, Walnut, La Puente, Glendora, Hacienda Heights and adjacent unincorporated areas in Los Angeles County.

RATES

Quantity Rates, for all water, per 100 cu. ft.:

Tariff Area No. 1	Block 1	\$ 2.324	(I)
	Block 2	2.609	|
Tariff Area No. 2	Block 1	\$ 2.419	|
	Block 2	2.666	|
Tariff Area No. 3	Block 1	\$ 2.522	|
	Block 2	2.884	(I)

	<u>Service Charge</u> <u>Per Meter</u> <u>Per Month</u>	<u>Block 1 Usage</u> <u>Up To (per 100 cu.ft.)</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 12.01	20	(I)
For 3/4-inch meter	18.02	20	|
For 1-inch meter	30.03	28	|
For 1-1/2-inch meter	60.07	70	|
For 2-inch meter	96.11	233	|
For 3-inch meter	180.20	321	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all residential metered service and to which is added the charge computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

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Advise Letter No. _____ Robert L. Kelly _____ Date Filed _____
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 Decision No. _____ Vice President _____ Effective _____
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 Resolution No. _____

Suburban Water Systems
 1211 E. Center Court Dr.
 Covina, CA 91724-3603

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Cal. P.U.C. Sheet No. _____

Cal. P.U.C. Sheet No. _____

Schedule SJ-2

SAN JOSE HILLS SERVICE AREA

NON RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Covina, West Covina, Walnut, La Puente, Glendora, Hacienda Heights and adjacent unincorporated areas in Los Angeles County.

RATES

Quantity Rates:

For all water, per 100 cu. ft.:

Tariff Area No. 1	\$ 2.390	(I)
Tariff Area No. 2	2.477	|
Tariff Area No. 3	2.572	(I)

Per Meter
Per Month

Service Charge:

For 5/8 x 3/4-inch meter	\$ 12.01	(I)
For 3/4-inch meter	18.02	|
For 1-inch meter	30.03	|
For 1-1/2-inch meter	60.07	|
For 2-inch meter	96.11	|
For 3-inch meter	180.20	|
For 4-inch meter	300.34	|
For 6-inch meter	600.67	|
For 8-inch meter	961.08	|
For 10-inch meter	1,381.55	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

Advise Letter No. _____	Robert L. Kelly	Date Filed _____
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Decision No. _____	Vice President	Effective _____
	Title	

Resolution No. _____

Suburban Water Systems
1211 E. Center Court Dr.
Covina, CA 91724-3603

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Cal. P.U.C. Sheet No. _____
Cal. P.U.C. Sheet No. _____

Schedule SJ-3

SAN JOSE HILLS SERVICE AREA

RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

TERRITORY

Portions of Covina, West Covina, Walnut, La Puente, Glendora, Hacienda Heights and adjacent unincorporated areas in Los Angeles County.

RATES

Quantity Rates:

For all water, per 100 cu. ft.:

Tariff Area No. 1	.....	\$ 2.032	(I)
Tariff Area No. 2	.....	2.106	I
Tariff Area No. 3	.....	2.187	(I)

Per Meter
Per Month

Service Charge:

For 5/8 x 3/4-inch meter	.....	\$ 12.01	(I)
For 3/4-inch meter	.....	18.02	I
For 1-inch meter	.....	30.03	I
For 1-1/2-inch meter	.....	60.07	I
For 2-inch meter	.....	96.11	I
For 3-inch meter	.....	180.20	I
For 4-inch meter	.....	300.34	I
For 6-inch meter	.....	600.67	I
For 8-inch meter	.....	961.08	I
For 10-inch meter	.....	1,381.55	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge computed at the Quantity Rates.

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(To be inserted by utility)

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Advise Letter No. _____ Robert L. Kelly _____ Date Filed _____
Name
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Resolution No. _____

Schedule WLM-1
WHITTIER/LA MIRADA SERVICE AREA
RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water service.

TERRITORY

Portions of Whittier, La Mirada, and adjacent unincorporated areas in Los Angeles County, and Buena Park, La Habra, and adjacent unincorporated areas in Orange County.

RATES

Quantity Rates, for all water, per 100 cu. ft.:

Tariff Area No. 1	Block 1	\$ 2.168	(I)
	Block 2	2.449	|
Tariff Area No. 2	Block 1	\$ 2.305	|
	Block 2	2.541	|
Tariff Area No. 3	Block 1	\$ 2.492	|
	Block 2	2.701	(I)

	<u>Service Charge</u> <u>Per Meter</u> <u>Per Month</u>	<u>Block 1 Usage</u> <u>Up To (per 100 cu.ft.)</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 12.01	20	(I)
For 3/4-inch meter	18.02	20	|
For 1-inch meter	30.03	28	|
For 1-1/2-inch meter	60.07	70	|
For 2-inch meter	96.11	233	|
For 3-inch meter	180.20	321	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all residential metered service and to which is added the charge computed at the Quantity Rates.

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(To be inserted by utility)

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Advise Letter No. _____	Robert L. Kelly Name	Date Filed _____
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		Resolution No. _____

Schedule WLM-2

WHITTIER/LA MIRADA SERVICE AREA
NON RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Whittier, La Mirada, and adjacent unincorporated areas in Los Angeles County, and Buena Park, La Habra, and adjacent unincorporated areas in Orange County.

RATES

Quantity Rates:

For all water, per 100 cu. ft.:

Tariff Area No. 1	\$ 2.221	(I)
Tariff Area No. 2	2.352	|
Tariff Area No. 3	2.572	(I)

Per Meter
Per Month

Service Charge:

For 5/8 x 3/4-inch meter	\$ 12.01	(I)
For 3/4-inch meter	18.02	|
For 1-inch meter	30.03	|
For 1-1/2-inch meter	60.07	|
For 2-inch meter	96.11	|
For 3-inch meter	180.20	|
For 4-inch meter	300.34	|
For 6-inch meter	600.67	|
For 8-inch meter	961.08	|
For 10-inch meter	1,381.55	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge computed at the Quantity Rates.

(Continued)

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Advise Letter No. _____	Robert L. Kelly _____	Date Filed _____
	Name	
Decision No. _____	Vice President _____	Effective _____
	Title	

Resolution No. _____

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

TERRITORY

Throughout all tariff areas.

RATES

Quantity Rates:

For each inch of diameter of service connection \$18.24 (I)

SPECIAL CONDITIONS

1. The facilities for service to a privately owned fire protection system shall be installed by the Utility or under the Utility's direction. Cost for the entire installation, shall be paid for by the applicant. Such payment shall not be subject to refund.
2. The expense of maintaining the private fire protection facilities on the applicant's premises (including the vault, meter and backflow device) shall be paid for by the applicant.
3. All facilities paid for by the applicant shall be the sole property of the applicant. The Utility and its duly authorized agents shall have the right to ingress to, and egress from the premises for all purposes relating to said facilities.
4. The minimum diameter for the service pipe to fire protection service shall be four inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
5. If a distribution main of adequate size to service a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a main extension from the nearest existing main of adequate capacity shall be installed by the Utility. The cost of such main extension attributable to the fire protection requirement shall be paid to the Utility as a contribution in aid of construction.

(Continued)

(To be inserted by utility)

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Robert L. Kelly
Name

Date Filed _____

Decision No. _____

Vice President
Title

Effective _____

Resolution No. _____

Suburban Water Systems
1211 E. Center Court Dr.
Covina, CA 91724-3603

Revised _____ Cal. P.U.C. Sheet No. _____
Canceling Revised _____ Cal. P.U.C. Sheet No. _____

Schedule No. 4A

FIRE HYDRANT SERVICE ON PRIVATE PROPERTY

APPLICABILITY

Applicable to all fire hydrant service rendered from fire hydrants connected to Company owned mains on private property.

TERRITORY

Throughout all tariff areas.

RATES

For each 6-inch standard fire hydrant, per month \$24.14 (I)

SPECIAL CONDITIONS

1. The fire hydrant will be installed by the Utility or under the Utility's direction at the cost of the applicant. The cost will not be subject to refund.
2. The fire hydrant shall be used for fire fighting purposes and fire drills only. Water use for fire drills will be limited to 15 minutes per week.
3. The replacement, enlargement, or relocation of any hydrant made at the request of the customer shall be paid for by the customer.
4. All facilities paid for by the applicant shall be the sole property of the applicant. The Utility and its duly authorized agents shall have the right to ingress to, and egress from the premises for all purposes relating to said facilities.

(Continued)

(To be inserted by utility)

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Name

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Vice President _____

Effective _____

Title

Resolution No. _____

Suburban Water Systems
1211 E. Center Court Dr.
Covina, CA 91724-3603

Original _____ Cal. P.U.C. Sheet No. _____

Canceling _____ Cal. P.U.C. Sheet No. _____

Schedule No. FF

FIRE FLOW TESTING CHARGE

APPLICABILITY

Applicable to all fire flow tests performed or witnessed using Utility personnel.

TERRITORY

This fee applies to tests performed on distribution systems in the entire territory served by the Utility.

RATES

Per Test Performed \$212.00

SPECIAL CONDITIONS

1. Applicants must complete and submit the Suburban Water Systems' "Fire Flow Availability and Will Serve Letter" Application.

(To be inserted by utility)

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Resolution No. _____

Suburban Water Systems
1211 E. Center Court Dr.
Covina, CA 91724-3603

Original _____

Cal. P.U.C. Sheet No. _____

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Cal. P.U.C. Sheet No. _____

Form No. 20
Fire Flow Availability and Will Serve Letter
Application Form

(To be inserted by utility)

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Advise Letter No. _____

Robert L. Kelly
Name

Date Filed _____

Decision No. _____

Vice President
Title

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