

**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
\$11,020,932 or 15.25% in 2018, by
\$6,148,017 or 7.38% in 2019, and by
\$5,543,562 or 6.20% in 2020.

A1701001 A.17-01-0XX

**APPLICATION OF SUBURBAN WATER SYSTEMS (U339W)
FOR AUTHORITY TO INCREASE RATES CHARGED FOR WATER SERVICE**

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January 3, 2017

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**BEFORE THE PUBLIC UTILITIES COMMISSION
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Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service by \$11,020,932 or 15.25% in 2018, by \$6,148,017 or 7.38% in 2019, and by \$5,543,562 or 6.20% in 2020.

A.17-01-0XX

**APPLICATION OF SUBURBAN WATER SYSTEMS (U339W)
FOR AUTHORITY TO INCREASE RATES CHARGED FOR WATER SERVICE**

As directed by the California Public Utilities Commission ("Commission") in Decision 07-05-062 (Order Instituting Rulemaking to Consider Revisions to the General Rate Case Plan for Class A Water Companies, ("Rate Case Plan")), Suburban Water Systems ("Suburban" or "Applicant") hereby submits its general rate case ("GRC") application to increase rates for water service. Suburban will file its final application on January 3, 2017.

I. STATEMENT OF RELIEF SOUGHT

By this application, Suburban seeks a general rate increase for water service for the total company in order to realize the following increased revenue:

| <u>Year</u> | <u>Amount of Increase</u> | <u>Percent</u> |
|-------------|---------------------------|----------------|
| 2018 | \$11,020,932 | 15.25% |
| 2019 | \$6,148,017 | 7.38% |
| 2020 | \$5,543,562 | 6.20% |

The following is a summary of the requested increase:

Comparison of Proposed Increase to Last
Test Year Adopted and Recorded Actual Amounts
(Dollar Amounts in Thousands)

| | <u>Last Test Year Adopted</u> | <u>Last Recorded Year</u> |
|-----------------------|-------------------------------|---------------------------|
| Total Rev Req \$ | \$7,575.0 | \$12,764.0* |
| Total Rev Req % | 10.00% | 18.10% |
| Rate Base \$ | \$41,548.8 | \$38,762.0 |
| Rate Base % | 34.66% | 31.60% |
| Operating Expenses \$ | \$2,875.3 | \$12,128.5 |
| Operating expenses % | 4.29% | 21.01% |
| Rate of Return | 0.00% | -2.19% |

*Of the total revenue requirement increase in 2018, 7% is brought about by needed investments in utility plant.

II. NECESSITY FOR GENERAL RATE RELIEF

Basic to Applicant's request for authority to raise rates is the fact that, in the test years at its present general metered rates, any annual increase in revenues will be more than offset by increases in expenses, rate of return, including costs related to capital expenditures. Suburban has little opportunity for customer growth inasmuch as its service area is substantially built out. The customer count increased only .59% since Suburban's last GRC. The general metered rates the Commission previously authorized will, with the passage of time, become unjustly and unreasonably low. The rates Suburban requests are just and reasonable, and reflect pass through to customers of only increased costs to the Applicant for service.

A. Primary Factors for Increase

As required by the Rate Case Plan, following are primary factors behind Suburban's request for increased rates:

Reduced Sales \$7,500,000

In this rate case cycle potable water sales began to plummet beginning in September 2014. In September 2017 the gulf between adopted and recorded residential sales had reached 16%, meaning the volume of water sold to residential customers was 16% below the level adopted in rates. This reduction in residential sales has a substantial impact on Suburban inasmuch as residential customers represent 95% of Suburban's customer base. We project that this declining trend in usage will continue unabated.

Increased Headcount \$895,675

See Chapter 3 of Suburban Water Systems, "Report on the Results of Operations Test Years Ending December 31, 2018 and 2019 Attrition Year 2020" ("Results of Operations"). Suburban proposes increased headcount to be able to continue to provide and maintain safe and reliable water service.

Increased Conservation Expense \$562,500

See Testimony of Darleen Phares

Increase In Allocated Utility Group Expense \$150,000

Utility Group is now staffed appropriately with professional staffing having increased from three to five. A new position, Director of Regulatory Affairs, now

provides badly needed support in all areas of general rate cases.

Increased Overtime Due To Main Breaks \$84,187

The increase in main breaks will result in an increase of Suburban's repair crews spending more time to restore water service to customers in a timely manner. The breaks frequently occur on weekends and after normal working hours and the crews must work past their scheduled shifts and incur overtime. Overtime cannot be avoided when there are multiple breaks and other crews are busy fixing other breaks.

B. Continuation of Trial Program

In Decision 08-02-036 the Commission approved a settlement agreement between Suburban and the Division of Ratepayer Advocates ("DRA"). The settlement adopted a trial program of conservation rates for residential customers consisting of a two-tier inclining block rate structure. The twelve-month moving average residential water demand has declined dramatically since the drought began in September 2014 - 23% in the San Jose Hills Service Area and 21% in the Whittier/La Mirada Service Area. The trial program included a Monterey-style Water Revenue Adjustment Mechanism ("WRAM"). Suburban recommends that the Commission authorize it to continue this trial program.

Some of Suburban's non-residential customers are highly water intensive, such as juice manufacturers. Water is a large component of their cost structure. Given the continued fragile state of the local economy, Suburban strongly recommends that for purposes of this proceeding that the trial program not be expanded beyond the current residential customer class.

In this proceeding Suburban requests that there be no changes in the current inclining block rate design for residential customers, no change in the uniform rate design for non-residential customers and that the current Monterey-style WRAM and long-standing incremental supply cost balancing accounts be continued unchanged. Suburban requests that the current recycled water rate design that provides recycled water quantity rates set at 85% of the quantity rate of non-residential metered service, be maintained. Suburban requests that any changes in cost of service and rates resulting from this proceeding be applied as proposed in this application; that is, applied uniformly to the rate design and WRAM that the Commission ultimately approves for the trial program.

III. LIST OF CONTENTIOUS ISSUES

As required by the Rate Case Plan, Suburban includes potentially contentious issues in this application.

Issue: Additional Staffing Needs (Revenue requirement impacts for 2018 and 2019 are \$895,675 and \$967,921, respectively).

New Positions Created and Filled Since Last Rate Case.

Human Resources Business Partner

This position has been created and filled to support recruiting efforts, review applications, interview job candidates, and conduct new hire orientation and training.

Positions Requested Not Yet Filled

Accountant II

This position is needed to perform a variety of accounting assignments, including account analyses, reconciliations between

ledgers, monthly journal entry preparation, period end closing, preparation of financial statements, and other miscellaneous accounting functions.

Mechanic I (2)

These positions are needed to ensure the appropriate level of maintenance of Suburban's assets, which is critical to provide reliable quality water to customers, to provide fire flow protection, and to achieve the designed life cycle and efficiency of each asset in order to minimize asset life cycle costs passed on to customers.

Associate Engineer

This intermediate level engineering position is needed to perform duties related to planning, engineering, coordination, design, management, and reporting on various water infrastructure projects.

Designer II

This position is needed to accommodate the increased workload in the design department that has been precipitated by the aging and necessary replacement of Company infrastructure, much of which was constructed over 65 years ago.

Engineering Technician - Inspector II

This intermediate level position is needed to, under direction from engineers and senior level inspectors, serve as the primary point of communication and coordination for projects, perform public works inspection, perform quality control of construction materials and best practice methods, prepare observation reports, ensure contracts are enforced, and ensure standards of safety, testing, environment, and quality are maintained.

(4) Utility Worker I

Four entry level utility worker positions are needed to perform functions in the Company departments of Valve Crew and Meter Shop.

Billing Center Clerk

This position is needed to perform cross-functional roles between the billing department and the accounting department.

Issue: Construction Projects (Revenue requirement impacts for 2018 and 2019 are \$901,805 and \$6,300,555, respectively). Total company funded capital expenditures requested in the first and second test years are: 2018 - \$33,114,994, 2019 - \$34,056,890.

Over the last decades, Suburban completed several critical plant upgrade projects at Plant 201, Plant 224 and is currently working to replace Plant 408 R-1. However, due to the large capital costs associated with these projects, the company's pipeline replacement projects have been delayed. Suburban has replaced less than 1% of its pipeline system infrastructure during the last 10 years. Given the age of Suburban's pipeline system infrastructure, this has resulted in main breaks occurring more frequently throughout Suburban's water systems.

In addition, as explained in detail in Suburban's Water Main Asset Management Plan, deferring pipeline replacement in this manner is not sustainable. The majority of the mains within Suburban's service area were installed after World War II in the 1950's. Suburban's mains are reaching a point at which a vast majority of the mains are exceeding their service lives at roughly the same time, thereby making it unmanageable to

maintain the system and possibly even result in a catastrophic failure. The focus for this rate case is to establish a main replacement program that will systematically replace aging pipelines for the purpose of maintaining high quality water service and also ensuring that the cost of replacement does not cripple current or future generations.

Suburban has prepared the Water Main Asset Management Plan to provide guidance for prioritizing pipeline replacements. Suburban has historically replaced pipelines reactively due to failures based on operator's verbal reports. The Water Main Asset Management Plan changes this approach and instead implements industry-recognized standards and tools to select pipelines with the highest priority for replacement. Improved technology and processes have enabled pipelines to be individually analyzed to develop a plan for the short, intermediate and long term. Utilizing break reports from operations departments, modeling tools and Asset Management Software a comprehensive plan has been developed.

In summary, the Water Main Asset Management Plan demonstrates the need for Suburban to proactively replace pipelines at the minimum rate of 1% per year or 8.5 miles per year. Even at this rate, it will take 100 years to replace Suburban's water main network. As shown in the Water Main Asset Management Plan, in the event less than 1% is replaced, Suburban will be faced with an unmanageable amount of pipelines that will exceed their expected service life at the same time, leading to rate shock and potential catastrophic service interruption for future generations.

Issue: Water Conservation Program (Revenue requirement impacts for 2018 and 2019 are \$900,000 in each year). Water Conservation Expense reflects ongoing aggressive conservation efforts in recognition of continuing drought conditions and political and social pressure. The Company's conservation efforts are described in further detail in the Company's testimony regarding conservation and include the following programs:

- Landscape Surveys: \$600,000;
- Residential Smart Controller Installations: \$200,000;
- Public outreach and information, educational materials, and conservation devices: \$75,000; and
- School Theatre Program: \$25,000.

Issue: Special Request - Continue Employee Healthcare Balancing Account (Revenue requirement impact unknown). Because Employee Healthcare costs are driven by utilization of healthcare plans by employees, requiring the Company to recover less than the full amount of costs is punitive, unfair, and does not serve as an effective cost controlling measure. Therefore, the Company requests to be made whole in recovering all costs incurred related to employee healthcare, as tracked by the Employee Healthcare Balancing Account.

Issue: Parent Company Rate Base - (Revenue requirement impacts for 2018 and 2019 are \$75,585 and \$214,110, respectively). Parent Company rate base consists primarily of plant in service less depreciation reserve and ADFIT allocated to Suburban based on the 3 factor allocation. Parent Company plant in service consists entirely of IT projects. Depreciation

of Parent Company plant was calculated using the same depreciation rates as used by Suburban. No CWIP is included in Parent Company Rate Base inasmuch as projects are of relatively short duration.

Issue: Discovery Deadlines - This is a contentious issue in every Suburban general rate case with ORA proposing 7 days compared to Suburban's 10 days.

Issue: Rate Case Scheduling - This has been a contentious issue in the past with proposals for a departure from the timeline adopted for single district water utilities in D.07-05-062.

IV. COMPLIANCE MATTERS

The settlement approved by Decision 14-12-038 required the following compliance item:

Additionally, southwest will work diligently to divest itself of its remaining operations service contracts. If SouthWest is unable to divest itself of these remaining contracts by the next general rate case, it will in its next application provide end-user figures and the plant values of those systems under each contract. p.31.

SouthWest worked diligently in efforts to divest itself of remaining operations service contracts and was able to divest two of them. SouthWest still retains nine contracts. See Testimony of Walter Bench for a discussion of the end-user data it has been able to obtain.

V. SPECIAL REQUESTS

A. Update Forms No. 7 and No. 8

Suburban requests authority to update Form No. 7 "Water Shut-Off Notice" (Cal. P.U.C. Sheet No. 1442-W) and Form No. 8 "Final Water Shut-Off Notice" (Cal. P.U.C. Sheet No. 1443-W). This update will replace certain phrases in the notice with more customer-friendly wording, provide the web address where customers can make online payments, and update the reconnection fees as proposed in Section 12.15. The change is primarily to add the web address where customers can make payments online.

B. Increase in Reconnection Charges

Suburban requests authority to increase the amount of fees for reconnections performed during business hours from \$25 to \$35, and outside business hours from \$40 to \$70. This proposal would affect Section C-1 of Rule No. 11 (Cal P.U.C. Sheet No. 907-W) as well as Form No. 7 "Water Shut-Off Notice" (Cal. P.U.C. Sheet No. 1442-W) and Form No. 8 "Final Water Shut-Off Notice" (Cal. P.U.C. Sheet No. 1443-W). The Company's expected cost to perform such reconnections during business hours and outside business hours is approximately \$51.10 and \$134.79, respectively.

| <u>Service Hours Reconnect</u> | | <u>After Hours Reconnect</u> | |
|---------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| \$35.74 | average pay for lead operator | \$31.42 | average pay for lead operator |
| 1 | hour | 1.5 | overtime factor |
| \$35.74 | = unloaded labor cost | 2 | minimum overtime |
| 41% | labor loading | \$94.26 | = unloaded labor cost |
| 2% | equipment factor | 41% | labor loading |
| \$51.10 | = Total Reconnection Cost | 2% | equipment factor |
| | | \$134.79 | = Total Reconnection Cost |

Increasing Suburban's fees for reconnection provides customers additional incentive to pay bills in a timely fashion, but is not so financially burdensome as to prevent customers requiring reconnection from being unable to have water service restored. Suburban's proposed fees bring the Company into alignment with the average of other class A water companies in California.

Suburban has properly considered the reconnection fee increase in its calculation of uncollectibles. In the event this increase is not approved, uncollectibles expense should be increased accordingly. See Workpapers, Worksheet 5-1J, Line 29.

C. Preliminary Statement Update

Suburban proposes to update its tariff sheets by removing certain paragraphs from the preliminary statement that are no longer applicable. The paragraphs that will be removed are as follows:

- G. Cost of Capital Litigation Memorandum Account;
- J. 2013 Cost of Capital Memorandum Account; and
- O. Credit/Debit Program Memorandum Account (CCPMA)

D. Multiple Miscellaneous Offsets

The Company requests eleven miscellaneous offsets, which it proposed to be netted and recovered as a one-time \$.10 per-customer surcharge, as follows:

| No. | Description | Under/ (Over) Collection | | |
|-----|--|--------------------------|-----------|----------------------|
| | | Amount | Interest | Total |
| 1 | Affiliate Transaction Rule - Employee Transfer Memorandum Account | (\$67,922) | | (\$67,922) |
| 2 | Military Family Relief Program Memorandum Account | \$5,520 | | \$5,520 |
| 3 | Water Contamination Litigation Memorandum Account | \$322,180 | | \$322,180 |
| 4* | Over Refunded - One-Time Surcredit | \$197,142 | \$2,286 | \$199,427 |
| 5 | Credit/Debit Card Program Memorandum Account (CCPMA) | (\$39,823) | (\$85) | (\$39,908) |
| 6* | CA Corporate Franchise Taxes (CCFT) Deductible in Federal Income Tax | \$69,855 | \$822 | \$70,678 |
| 7* | 2012 Cost of Capital Litigation Amortization | \$17,827 | \$210 | \$18,037 |
| 8* | 2010 Cost of Capital Amortization | (\$19,856) | (\$320) | (\$20,176) |
| 9* | Conservation Oll | (\$28,420) | (\$446) | (\$28,866) |
| 10* | 2009 Interim Rates | (\$1,714) | (\$69) | (\$1,782) |
| 11 | 2015 Employee Healthcare Balancing Account | (\$313,238) | (\$3,544) | (\$316,782) |
| | Subtotal Amount | \$141,552 | (\$1,145) | \$140,407 |
| | 1.23% Add Franchise Fee | | | \$1,727 |
| | 0.22% Add Uncollectible | | | \$309 |
| | Request for Amortization Amount | | | \$142,443 (a) |
| | Estimated 2018 Water Sales (ccf) | | | 1,435,406 (b) |
| | One Time Surcharge/ccf = (a/b) = | | | \$0.10 |

*Residual Amounts Remaining from Previously Approved Offsets

Affiliate Transaction Rule Employee Transfer Memorandum Account Amortization

Pursuant to D.11-10-034, Appendix A, IV.D.3, Suburban requests authority to amortize the current \$67,922 credit balance in its Affiliate Transaction Rule Employee Transfer Memorandum Account.

Military Family Relief Program ("MFRP") Memorandum Account Amortization

Pursuant to Assembly Bill No. 1666 and Suburban's MFRP Memorandum Account, Suburban requests authority to amortize the current \$5,520 credit balance in its MFRP Memorandum Account.

Water Contamination Litigation Memorandum Account ("WCLMA")

Suburban proposes to amortize the \$322,180 balance in the WCLMA. The balance pertains to costs associated with

renewal of the Baldwin Park Operable Unit agreement which expires May 31, 2016.

Credit/Debit Card Program Memorandum Account ("CCPMA")

Suburban proposes to terminate its CCPMA and refund the overcollected balance of \$39,823. Henceforth Suburban would recover associated costs in rates on a permanent basis, offset by payment option savings, and without imposing a transaction fee on customers using the payment option. Suburban is not requesting recovery of any capital costs that have been incurred that are associated with the CCPMA.

See Testimony of Brian Bahr.

Employee Healthcare Balancing Account - Request for 1) Credit Balance Amortization, 2) Balancing Account Continuation, and 3) Elimination of Undercollection Cap on Recovery

The Company's Employee Healthcare Balancing Account, approved in its preceding rate filing A.14-02-004, tracks the difference between the adopted forecast and the actual costs of employee healthcare expenses. Suburban is required to refund 100 percent of the amount of recorded costs greater than adopted, and recovers 85 percent of the amount of recorded costs greater than adopted. As of December 31, 2015, the balance in the account is \$312,375.

The Company requests the Employee Healthcare Balancing Account be continued in future years and the current overcollected balance be refunded to customers.

Suburban also requests that its recovery percentage, should actual costs exceed adopted costs, be increased from 85 percent to 100 percent. Suburban's parent company, SouthWest, determines the medical and dental plans for Company employees; however, determining the actual utilization of said plans by employees is impossible to consistently forecast accurately or control. Because Employee Healthcare costs are driven by utilization of healthcare plans by employees, requiring the Company to recover less than the full amount of costs is punitive, unfair, and does not serve as an effective cost controlling measure. Therefore, the Company requests to be made whole in recovering all costs incurred related to employee healthcare, as tracked by the Employee Healthcare Balancing Account.

See Testimony of Walter Bench.

E. LIRA Memorandum Account Amortization, Update LIRA Surcharge

Suburban requests authority to amortize the Low Income Ratepayer Assistance Memorandum Account debit balance of \$419,830 as of September 30, 2016 as a surcharge over twelve months, which includes prior undercollected amounts as authorized by Advice Letter 309-W. Bills for January 2018 would be subject to a surcharge of \$0.027 per 100 cubic feet of water used.

In order to support the LIRA program, Suburban requests authority to increase the amount of the Low Income Ratepayer Assistance Surcharge from \$.040 to \$0.045 per 100 cubic feet.

**F. Water Revenue Adjustment Mechanism Balancing Account
Surcredit To Nonresidential Customers**

Suburban requests authority to amortize a Water Revenue Adjustment Mechanism Balancing Account amount of \$396,598 as a one-time surcredit of \$.43 to nonresidential customers who were erroneously charged as part of an offset pursuant to Advice Letter No. 309.

VI. SB 960 SCOPING MEMORANDUM

(A) Category: Ratesetting

(B) Are Evidentiary Hearings Necessary? Yes.

Potentially, there may be factual disputes on material issues, which will necessitate evidentiary hearings on such topics as water sales and operating revenue, operation and maintenance expenses, utility plant, depreciation, rate base, taxes, revenue requirements, conservation and customer service. Pursuant to the Rate Case Plan, Suburban based cost of capital on Decision 13-05-027, which established cost of capital for Suburban as well as three other applicants in that proceeding.

(C) Support: Suburban plans to introduce the following evidentiary items, as necessary, in support of its rate request: this application, exhibits to the application and testimony, together with Suburban's work papers, and Minimum Data Requirements Responses.

(D) Are Public Witness Hearings Necessary? Yes.

VII. SCHEDULE

The Commission's Rate Case Plan governs this application. Under the Rate Case Plan, the Commission should issue a final decision on October 9, 2017. The schedule for the case is shown below. The day schedule shown is consistent with the

Commission's Opinion Adopting Revised Rate Case Plan For Class A
Water Utilities, D.07-05-062.

**PROPOSED 2017 GENERAL RATE CASE SCHEDULE
SUBURBAN WATER SYSTEMS**

| No. | EVENT | DATE | 14-Month Schedule | Item Scheduled Shift Due to Holidays/ Weekends |
|------------|--|-------------------------------|------------------------------|---|
| 1. | Proposed Application Tendered | Tuesday, November 01, 2016 | | |
| 2. | Deficiency Letter Mailed | Thursday, December 01, 2016 | (30) | |
| 3. | Appeal to Executive Director | Friday, December 09, 2016 | (25) | |
| 4. | Executive Director Acts | Wednesday, December 14, 2016 | (20) | |
| 5. | Application Filed/Testimony Served | Tuesday, January 03, 2017 | 0 | |
| 6. | PHC & PPH Start Date | Friday, January 13, 2017 | 10 | |
| 7. | PHC Finish Date | Monday, March 20, 2017 | 75 | 1 |
| 8. | Update of Applicant's Showing | Friday, February 17, 2017 | 45 | |
| 9. | Public Participation Hearings (End Date) | Monday, April 03, 2017 | 90 | |
| 10. | ORA Testimony | Monday, April 10, 2017 | 97 | |
| 11. | Other Parties Serve Testimony | Monday, April 10, 2017 | 97 | |
| 12. | Rebuttal Testimony | Tuesday, April 25, 2017 | 112 | |
| 13. | ADR Process (Start Date) | Friday, April 28, 2017 | 115 | |
| 14. | ADR Process (End Date) | Monday, May 08, 2017 | 125 | |
| 15. | Evidentiary Hearings (if required - start) | Tuesday, May 09, 2017 | 126 | |
| 16. | Evidentiary Hearings (if required - end) | Monday, May 15, 2017 | 130 | 2 |
| 17. | Opening Briefs Filed and Served | Monday, June 12, 2017 | 160 | |
| 18. | Motion for Interim Rates | Monday, June 12, 2017 | 160 | |
| 19. | Mandatory Status Conference | Tuesday, June 13, 2017 | 161 | |
| 20. | Reply Briefs Filed and Served (with Comparison Exhibit) | Tuesday, June 27, 2017 | 175 | |
| 21. | Water Division Technical Conference | Monday, July 03, 2017 | 180 | 1 |
| 22. | Proposed Decision Mailed | Thursday, August 31, 2017 | 240 | |
| 23. | Comments on Proposed Decision | Wednesday, September 20, 2017 | 260 | |
| 24. | Reply Comments | Monday, September 25, 2017 | 265 | |
| 25. | Commission Meeting | Tuesday, October 10, 2017 | 280 | |

VIII. OTHER FORMAL MATTERS AND PROCEDURAL REQUIREMENTS

(A) This application is made pursuant to Section 451 et seq. of the California Public Utilities Code.

(B) Applicant's legal name is Suburban Water Systems. Suburban's corporate office and post office address is 1325 N. Grand Avenue, Suite 100, Covina, CA 91724.

(C) Applicant Suburban Water Systems, a California corporation, organized under the laws of the State of California, October 23, 1953, is a Class A regulated water utility organized and operating under the laws of the State of California. Suburban provides water services in various areas of Los Angeles County and Orange County.

(D) A certified copy of Applicant's Articles of Incorporation and all amendments thereto have heretofore been filed with the Commission in connection with Application Nos. 41492, 44154, 53900, 57025, 83-08-29 and 06-08-015. The Articles of Incorporation have not been subsequently amended.

(E) None of the persons described in Section 2 of General Order No. 104-A has a material financial interest in any transaction involving the purchase of materials or equipment or the contracting, arranging, or paying for construction, maintenance work, or service of any kind to which Applicant has been a party during the period subsequent to the filing of Suburban's last Annual Report with this Commission or to which Suburban proposed to become a party at the conclusion of the year covered by said Annual Report.

(F) Applicant is now and will be ready to proceed with its showing as prescribed by the Commission's Rate Case Plan.

(G) Applicant anticipates that, subsequent to the filing of this applicant and prior to the issuance of a decision by the Commission, Applicant may file one or more advice letter requests to offset unanticipated increases in expenses that may

be incurred, or to file one or more advice letters requesting recovery or refund of captured balances in its various memorandum or balancing accounts. Any such offset rate increases requested by advice letter will be in addition to the increases in rates requested in this application.

IX. CORRESPONDENCE, NOTICE, AND SERVICE

Correspondence concerning this application should be sent to:

Robert L. Kelly
Suburban Water Systems
1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044
Telephone: (626) 543-2590
Email: bkelly@swwc.com

Copies of such correspondence and communication should be sent to:

Joseph M. Karp
Winston & Strawn, LLP
101 California Street
San Francisco, CA 94111-5846
Telephone: (415) 591-1529
Facsimile: (415) 591-1400
Email: jkarp@winston.com

Within ten days of filing this final application, Applicant will cause to be published a notice of the proposed increases in a newspaper of general circulation in the area served and will file proof of publication with the Commission. Applicant will mail a copy of this application to the parties set forth in Exhibit C.

X. EXHIBITS AND TESTIMONY

Suburban provides the following exhibits and testimony in support of this application:

| | |
|-----------|--|
| Exhibit A | Balance Sheet and Income Statement |
| Exhibit B | Notice To Customers (for approval by the Public Advisors Office) |
| Exhibit C | Service List for Final Application |
| Exhibit D | Comparison Exhibit Explaining Differences Between the Proposed Application and the Application |
| Exhibit E | Tariffs |

Suburban Water Systems, Results of Operations, Test Years Ending December 31, 2018 and 2019 Attrition Year 2020 ("Results of Operations").

Suburban Water Systems, DRAFT 2015 Urban Water Management Plan. June 15, 2016.

Suburban Water Systems, Minimum Data Requirements, Vols. I-II.

Suburban Water Systems, Workpapers, Vols. I-III (including Capital Project Descriptions, Asset Management Plans, and System Master Plans).

| | |
|---------------------------------|--|
| Testimony of Christian Aldinger | Depreciation; sponsoring <u>Results of Operations</u> Chapter 7, "Depreciation Accruals, Reserve For Depreciation" |
|---------------------------------|--|

| | |
|--|---|
| Testimony of Walter Bench (CONFIDENTIAL) | Indirect Parent Company Costs, Insurance, Employee Healthcare Balancing Account; sponsoring <u>Results of Operations</u> Chapter 5, "Operating Expenses" as it relates to parent company expenses |
|--|---|

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|-----------------------------|---|
| Testimony of George Freitag | Sponsoring <u>Results of Operations</u> Chapter 4 "Water Sales and Operating Revenues" as it relates to demand forecasts for industrial, public authority and recycled water and construction water customers, sales to other utilities |
|-----------------------------|---|

| | |
|---------------------------|--|
| Testimony of Kiki Carlson | Sponsoring <u>Results of Operations</u> Chapter 5 "Operating Expenses" except for the areas of payroll |
|---------------------------|--|

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| | expense, conservation expenses, insurance and parent company expenses, and Chapter 8, "Rate Base" as it relates to working cash |
| Testimony of John Brett | Water Quality |
| Testimony of Darleen Phares | Water Conservation |
| Testimony of Jocelyn Padilla (CONFIDENTIAL) | Parent Company - Executive Compensation |
| Testimony of Jeff Farney (CONFIDENTIAL) | Parent Company - Rate Base and IT |
| Testimony of Jorge Lopez | Capital Projects; sponsoring <u>Results of Operations</u> Chapter 6 "Utility Plant" |
| Testimony of Wendy Illingworth | Demand Forecasts |
| Testimony of Stephen Johnson | San Gabriel Basin hydrogeology and groundwater quality |
| Testimony of Brian Bahr | Credit Card Pilot Program Memorandum Account, Increase In Reconnection Charges, Update Forms No. 7 and No. 8; sponsoring <u>Results of Operations</u> Chapter 3 "Company Operations" as it relates to proposed new positions, and Chapter 5 "Operating Expenses" as it relates to payroll expense |
| Testimony of Robert Kelly | Sponsoring <u>Results of Operations</u> Chapter 1, "Introduction"; Chapter 2, "Company History"; Chapter 3, "Company Operations", except for payroll expense and proposed new positions; Chapter 5, "Operating Expenses", except as it relates to conservation expenses, insurance and parent company expenses; Chapter 8, "Rate Base"; Chapter 9, "Taxes"; Chapter 10, "Summary of Earnings"; Chapter 11, "Revenue Requirements"; and Chapter 12, "Rates". |

XI. CONCLUSION

WHEREFORE, Suburban respectfully requests that this Commission issue its findings and an order to the effect that:

1. The present rates authorized for Suburban are projected to be, in the test years, unfair, unjust and unreasonable;

2. The rates proposed and requested by Suburban are fair, just and reasonable;

3. Suburban be granted the relief requested in of this application;

4. Suburban Water Systems be authorized to publish, file and make effective, beginning January 1, 2018, the proposed rates requested or such other rates as will result in the additional gross revenues requested in this application; and

5. For such other and further relief as is just.
Respectfully submitted on January 3, 2017.

By: /s/ CRAIG GOTT

Craig Gott
Vice President
SUBURBAN WATER SYSTEMS

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 28, 2016 at Covina, California.

By: /s/ CRAIG GOTT

Craig Gott
Vice President
SUBURBAN WATER SYSTEMS

EXHIBIT A

EXHIBIT A

Applicant's latest available year end fiscal year income statement.
Calendar year 2015

INCOME STATEMENT

| INCOME STATEMENT | | Annual Amount |
|-------------------------|--|--------------------------|
| 23 | Unmetered Water Revenue | 899,633 |
| 24 | Fire Protection Revenue | 1,164,701 |
| 25 | Irrigation Revenue | 0 |
| 26 | Metered Water Revenue | 68,906,686 |
| 27 | Total Operating Revenue | 70,971,020 |
| 28 | <u>Operating Expenses</u> | 42,572,747 |
| 29 | Depreciation Expense (Composite Rate: 3.44%) | 7,611,611 |
| 30 | Amortization and Property Losses | 156,120 |
| 31 | Property Taxes | 1,200,738 |
| 32 | Taxes Other Than Income Taxes | 637,273 |
| 33 | Total Operating Revenue Deduction Before Taxes | 52,178,489 |
| 34 | California Corp. Franchise Tax | 1,419,070 |
| 35 | Federal Corporate Income Tax | 5,122,456 |
| 36 | Total Operating Revenue Deduction After Taxes | 58,720,015 |
| 37 | Net Operating Income (Loss) - California Water Operations | 12,251,005 |
| 38 | Other Operating and Nonoperating. Income and Exp. - Net (Exclude Interest Expense) | 159,907 |
| 39 | Income Available for Fixed Charges | 12,091,098 |
| 40 | Interest Expense | 2,579,799 |
| 41 | Net Income (Loss) Before Dividends | 9,511,299 |
| 42 | Preferred Stock Dividends | 168,792 |
| 43 | Net Income (Loss) Available for Common Stock | 9,342,507 |

EXHIBIT A

Applicant's latest available year end fiscal year balance sheet.
Calendar year 2015

Assets and Other Debits

| 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 in Service | A-1 | 255,035,869 | 241,268,705 |
| 3 | 107 | Utility Plant Adjustments | | - | - |
| 4 | | Total Utility Plant | | 255,035,869 | 241,268,705 |
| 5 | 250 | Reserve for Depreciation of Utility Plant | A-3 | (89,625,892) | (82,670,044) |
| 6 | 251 | Reserve for amortization of limited term utility investments | A-3 | (506,921) | (349,282) |
| 7 | 252 | Reserve for amortization of utility plant acquisition adjustment | A-3 | 27,033 | 25,515 |
| 8 | | Total utility plant reserves | | (90,105,780) | (82,993,811) |
| 9 | | Total utility plant less reserves | | 164,930,089 | 158,274,894 |
| 10 | | | | | |
| 11 | | II. INVESTMENT AND FUND ACCOUNTS | | | |
| 12 | 110 | Other Physical Property | A-2 | 107,383 | 107,383 |
| 13 | 253 | Reserve for depreciation and amortization of other property | A-3 | (21,374) | (21,374) |
| 14 | | Other physical property less reserve | | 86,009 | 86,009 |
| 15 | 111 | Investments in Associated Companies | A-4 | - | - |
| 16 | 112 | Other Investments | A-5 | - | - |
| 17 | 113 | Sinking Funds | A-6 | - | - |
| 18 | 114 | Miscellaneous Special Funds | A-7 | - | - |
| 19 | | Total investments and fund accounts | | 86,009 | 86,009 |
| 20 | | | | | |
| 21 | | III. CURRENT AND ACCRUED ASSETS | | | |
| 22 | 120 | Cash | | 110,312 | 31,471 |
| 23 | 121 | Special Deposits | A-8 | - | - |
| 24 | 122 | Working Funds | | - | 900 |
| 25 | 123 | Temporary Cash Investments | | - | - |
| 26 | 124 | Notes Receivable | A-9 | - | - |
| 27 | 125 | Accounts Receivable | | 6,546,192 | 6,753,272 |
| 28 | 126 | Receivables from Associated Companies | A-10 | 10,659,438 | - |
| 29 | 131 | Materials and Supplies | | 394,049 | 381,095 |
| 30 | 132 | Prepayments | A-11 | 2,756,616 | 2,348,066 |
| 31 | 133 | Other Current and Accrued Assets | A-12 | - | - |
| 32 | | Total Current and Accrued Assets | | 20,466,607 | 9,514,804 |
| 33 | | | | | |
| 34 | | IV. DEFERRED DEBITS | | | |
| 35 | 140 | Unamortized Debt Discount and Expense | A-13 | 754,394 | 597,517 |
| 36 | 141 | Extraordinary Property Losses | A-14 | - | - |
| 37 | 142 | Preliminary Survey and Investigation Charges | | - | - |
| 38 | 143 | Clearing Accounts | | - | - |
| 39 | 145 | Other Work in Progress | | 87,130 | 58,084 |
| 40 | 146 | Other Deferred Debits | A-15 | 12,246,593 | 12,585,277 |
| 41 | | Total Deferred Debits | | 13,088,117 | 13,240,878 |
| 42 | | Total Assets and Other Debits | | 198,570,822 | 181,116,585 |
| 43 | | | | | |

EXHIBIT A

Applicant's latest available year end fiscal year balance sheet.
Calendar year 2015

Liabilities and Other Credits

| 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 | | - | - |
| 5 | 203 | Premiums and Assessments on Capital Stock | A-19 | 126,550 | 126,550 |
| 6 | 150 | Discount on Capital Stock | A-16 | - | - |
| 7 | 151 | Capital Stock Expense | A-17 | - | - |
| 8 | 270 | Capital Surplus | A-20 | 4,881,844 | 4,881,844 |
| 9 | 271 | Earned Surplus | A-21 | 79,355,301 | 74,315,143 |
| 10 | | Total Corporate Capital and Surplus | | 89,091,342 | 84,051,184 |
| 11 | | | | | |
| 12 | | II. PROPRIETARY CAPITAL | | | |
| 13 | 204 | Proprietary Capital (Individual or Partnership) | A-22 | - | - |
| 14 | 205 | Undistributed Profits of Proprietorship or Partnership | A-23 | - | - |
| 15 | | Total Proprietary Capital | | - | - |
| 16 | | | | | |
| 17 | | III. LONG-TERM DEBT | | | |
| 18 | 210 | Bonds | A-24 | 58,000,000 | 33,000,000 |
| 19 | 211 | Receivers' Certificates | | - | - |
| 20 | 212 | Advances from Associated Companies | A-25 | - | - |
| 21 | 213 | Miscellaneous Long-term Debt | A-26 | - | - |
| 22 | | Total Long-term Debt | | 58,000,000 | 33,000,000 |
| 23 | | | | | |
| 24 | | IV. CURRENT AND ACCRUED LIABILITIES | | | |
| 25 | 220 | Notes Payable | A-28 | - | - |
| 26 | 221 | Notes Receivable Discounted | | - | - |
| 27 | 222 | Accounts Payable | | 1,019,023 | 813,947 |
| 28 | 223 | Payables to Associated Companies | A-29 | - | 14,069,434 |
| 29 | 224 | Dividends Declared | | - | - |
| 30 | 225 | Matured Long-term Debt | | - | - |
| 31 | 226 | Matured Interest | | - | - |
| 32 | 227 | Customers' Deposits | | 417,861 | 290,435 |
| 33 | 228 | Taxes Accrued | A-31 | (15,462) | - |
| 34 | 229 | Interest Accrued | | 813,856 | 629,694 |
| 35 | 230 | Other Current and Accrued Liabilities | A-30 | 5,707,544 | 6,949,624 |
| 36 | | Total Current and Accrued Liabilities | | 7,942,822 | 22,753,134 |
| 37 | | | | | |
| 38 | | V. DEFERRED CREDITS | | | |
| 39 | 240 | Unamortized Premium on Debt | A-13 | - | - |
| 40 | 241 | Advances for Construction | A-32 | 6,757,984 | 6,894,409 |
| 41 | 242 | Other Deferred Credits | A-33 | 21,544,218 | (6,570,853) |
| 42 | | Total deferred credits | | 28,302,202 | 323,556 |
| 43 | | | | | |
| 44 | | VI. RESERVES | | | |
| 45 | 254 | Reserve for Uncollectible Accounts | A-34 | 136,571 | 148,905 |
| 46 | 255 | Insurance Reserve | A-34 | - | - |
| 47 | 256 | Injuries and Damages Reserve | A-34 | - | - |
| 48 | 257 | Employees' Provident Reserve | A-34 | - | - |
| 49 | 258 | Other Reserves | A-34 | - | 25,056,793 |
| 50 | | Total Reserves | | 136,571 | 25,205,698 |
| 51 | | | | | |
| 52 | | VII. CONTRIBUTIONS IN AID OF CONSTRUCTION | | | |
| 53 | 265 | Contributions in Aid of Construction | A-35 | 15,097,885 | 15,783,013 |
| 54 | | Total Liabilities and Other Credits | | 198,570,822 | 181,116,585 |

EXHIBIT B

**NOTIFICATION OF APPLICATION FILING FOR
SUBURBAN WATER SYSTEMS GENERAL RATE CASE
(APPLICATION NO. 17-01-XXX)**

On January 3, 2017, Suburban Water Systems (Suburban) filed a rate increase application (A.17-01-XXX) with the California Public Utilities Commission (C.P.U.C.). The application filing by Suburban seeks authority to increase its rates over a three-year period by \$11,020,932 (or 15.25%) in 2018, by \$6,148,017 (or 7.38%) in 2019, and by \$5,543,562 (or 6.20%) in 2020.

About the Application

The CPUC requires Suburban to submit a general rate case on a three-year cycle. This rate application covers the period for 2018, 2019, and 2020. The CPUC will render a final decision, and the amount of the increase approved by the CPUC could vary from the original request by Suburban. Suburban is requesting the increase take effect January 1, 2018. Additional increases would then take effect January 1, 2019 and January 1, 2020. **The tables below assume the CPUC approves the full amount of the increase requested by Suburban.**

Summary

If the increases in rates are approved by the CPUC as proposed, the impact on the average monthly residential customer's bill using 13 ccf per month for a ¾ inch meter will be as follows:

| | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|-------------|-------------|-------------|
| <u>San Jose Hills Tariff Area 1</u> | | | |
| Current Amount | \$56.48 | \$64.68 | \$69.62 |
| Amount Increase | 8.20 | 4.94 | 4.32 |
| New Bill | \$64.68 | \$69.62 | \$73.94 |
| Percent Increase | 14.5% | 7.6% | 6.2% |
| <u>Whittier/La Mirada Tariff Area 2</u> | | | |
| Current Amount | \$54.94 | \$63.02 | \$67.45 |
| Amount Increase | 8.08 | 4.43 | 4.18 |
| New Bill | \$63.02 | \$67.45 | \$71.63 |
| Percent Increase | 14.7% | 7.0% | 6.2% |

The proposed revenue increase is outlined in the chart below and provides proposed rate increases spread across the customer classes that Suburban serves. Note: Forecasted lower sales in most customer classes.

| Proposed Increases (Dollars in Thousands) | | | | | | | |
|---|------------------------|----------------------|-------|----------------------|------|----------------------|------|
| <u>Customer Class</u> | <u>Present Revenue</u> | <u>2018 Increase</u> | | <u>2019 Increase</u> | | <u>2020 Increase</u> | |
| | \$ | \$ | % | \$ | % | \$ | % |
| Residential | 51,164.2 | 7,406.1 | 14.48 | 4,324.9 | 7.38 | 3,902.2 | 6.20 |
| Business | 12,599.4 | 2,088.3 | 16.57 | 1,091.5 | 7.41 | 980.4 | 6.20 |
| Industrial | 1,436.4 | 281.7 | 19.61 | 131.3 | 7.64 | 114.6 | 6.20 |
| Public Authorities | 3,170.2 | 550.9 | 17.38 | 267.0 | 7.39 | 240.5 | 6.20 |
| Other Water Utilities for Resale | 41.3 | 5.6 | 13.49 | 3.3 | 7.05 | 3.1 | 6.20 |
| Construction Water Service | 134.0 | 15.7 | 11.72 | 12.4 | 7.39 | 11.1 | 6.20 |
| Private Fire Protection Service | 1,161.8 | 177.2 | 15.25 | 97.4 | 7.38 | 87.9 | 6.20 |
| Fire Hydrant Service on Private Property | 169.4 | 25.8 | 15.25 | 14.9 | 7.38 | 13.4 | 6.20 |
| Recycled Water | 2,392.9 | 473.2 | 19.78 | 209.2 | 7.30 | 190.6 | 6.20 |
| TOTAL | 72,269.6 | 11,024.5 | 15.25 | 6,151.8 | 7.39 | 5,543.8 | 6.20 |

Under the proposed rates, the monthly charge for private fire service would increase from \$20.92 to \$24.11 per inch of diameter of service connection on January 1, 2018, to \$25.89 on January 1, 2019, and to \$27.49 on January 1, 2020. The monthly charge for fire hydrant service would increase from \$27.68 to \$31.90 for each 6-inch standard fire hydrant on January 1, 2018, to \$34.25 on January 1, 2019, and to \$36.38 on January 1, 2020.

Primary Drivers of Rate Increase

The proposed rate increase is critical to sustain and improve the integrity of Suburban's water supply system and offset increases in operational and maintenance costs. These rates will help fund 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 the General Rate Case Application and related exhibits may be viewed at Suburban's offices:

| | | |
|-------------------------------|---------------------------------|-----------------------------|
| San Jose Hills Service Area | Whittier/La Mirada Service Area | Main Office |
| 2235 E. Garvey Ave. N. Ste. A | 15088 Rosecrans Avenue | 1325 N. Grand Ave. Ste. 100 |
| West Covina, CA 91791 | La Mirada, CA 90638 | Covina, CA 91724-3603 |
| Phone (626) 543-2640 | Phone (562) 944-8219 | Phone (626) 543-2500 |

If you have questions regarding this application, you may call Suburban's Communications Department at (626) 543-2531.

Copies of the application are also available to review at the CPUC's Central Files Office between the hours of 8:00 a.m. to noon daily in San Francisco, at 505 Van Ness Avenue, San Francisco, California 94102.

CPUC PROCESS

This Application will be assigned to an Administrative Law Judge (ALJ) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and all evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision determining whether to adopt all or part of Suburban's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision and the issue will be decided at a scheduled Commission Voting Meeting.

STAY INFORMED

The CPUC offers a free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below.

Email: public.advisor@cpuc.ca.gov

Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Phone: 866-849-8390

Please reference **Suburban Water Systems' General Rate Case Application No. 17-01-XXX** in any such communications with the PAO. These comments will become part of the public correspondence file for this proceeding and public record. Public comments are circulated to the assigned ALJ, the Commissioners, and appropriate CPUC staff for review.

EXHIBIT C

**SUBURBAN WATER SYSTEMS
2017 GENERAL RATE CASE
APPLICATION SERVICE LIST**

VIA MESSENGER

Karen Clopton
Chief Administrative Law Judge
California Public Utilities
Commission
505 Van Ness Avenue
San Francisco, CA 94102

Rami Kahlon, Director
California Public Utilities
Commission Division of Water
and Audits
505 Van Ness Avenue
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Selina Shek, Attorney
California Public Utilities
Commission
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505 Van Ness Avenue
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Arocles Aguilar, Director
California Public Utilities
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San Francisco, CA 94102

Victor Chan
California Public Utilities
Commission
Los Angeles Office
Office of Ratepayer Advocates
320 West 4th Street, Ste. 500
Los Angeles, CA 90013

**SUBURBAN WATER SYSTEMS
2017 GENERAL RATE CASE
APPLICATION SERVICE LIST**

STATE SERVICE LIST

VIA U.S. MAIL

Kamala D. Harris,
Attorney General
Office of the Attorney General
P.O. Box 944255
Sacramento, CA 94244-2550

Daniel C. Kim, Director
Department of General Services
Executive Office
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West Sacramento, CA 95605-2811

Jennifer Kent, Director
Department of Health Services
P.O. Box 997413, MS 0000
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Darrin Polhemus
Deputy Director
Division of Drinking Water
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1001 I Street
Sacramento, CA 95814

Dr. Karen Smith
Director and State Public
Health Officer
P.O. Box 997377, MS 0500
Sacramento, CA 95899-7377

WHITTIER/LA MIRADA and SAN JOSE HILLS DISTRICTS

VIA U.S. MAIL

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Deputy City Manager/City Clerk
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Michele Vadon
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**SUBURBAN WATER SYSTEMS
2017 GENERAL RATE CASE
APPLICATION SERVICE LIST**

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Shauna Clark
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La Habra Heights, CA 90631

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Holly L. Wolcott
City Clerk
City of Los Angeles
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P.O. Box 682
Walnut, CA 91788-0682

**SUBURBAN WATER SYSTEMS
2017 GENERAL RATE CASE
APPLICATION SERVICE LIST**

| | |
|--|--|
| Laurie Carrico City Clerk City of West Covina 1444 West Garvey Avenue South West Covina, CA 91790 | Arnold Alvarez-Glasman City Attorney City of West Covina 1444 West Garvey Avenue South West Covina, CA 91790 |
| Culver Heaton, Jr., City Clerk City of Glendora 116 East Foothill Boulevard Glendora, California 91741 | D. Wayne Leech City of Glendora 116 East Foothill Boulevard Glendora, California 91741 |
| Kathryn A. Marshall City Clerk City of Whittier 13230 Penn Street Whittier, CA 90602 | Richard D. Jones City Attorney City of Whittier 13230 Penn Street Whittier, CA 90602 |
| Shalice Reynoso, City Clerk City of Buena Park 6650 Beach Boulevard First Floor Buena Park, CA 90622 | Steven L. Dorsey City Attorney City of Buena Park 6650 Beach Blvd. Buena Park, CA 90622 |

EXHIBIT D

EXHIBIT D

COMPARISON EXHIBIT EXPLAINING DIFFERENCES BETWEEN THE PROPOSED APPLICATION AND APPLICATION

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|-------------|-----------|---|---|--|
| Application | Page 1 | I. Statement of Relief Sought | Update revenue requirement amounts and percentages for years 2018 through 2020 | n/a |
| Application | Page 2 | I. Statement of Relief Sought | Update revenue requirement, rate base, and operating expenses amounts and percentages for years 2018 through 2020 | n/a |
| Application | Page 3 | II. Necessity for General Rate Relief - A. Primary Factors for Increase | Update Increased Headcount's amount from \$771,109 to \$895,675. Information was erroneously provided in Proposed Application. | n/a |
| Application | Page 4 | II. Necessity for General Rate Relief - A. Primary Factors for Increase | Adding two additional factors on primary cost increases per ORA request (MDR item I.B). | n/a |
| Application | Page 5 | III. List of Contentious Issues | Update additional staffing needs amounts for years 2018 and 2019 from \$771,109 and \$830,985 to \$895,675 and \$967,921, respectively. Information was erroneously provided in Proposed Application. | n/a |
| Application | Page 5 | III. List of Contentious Issues | Adding brief summary of rationale, per ORA request (MDR item I.C). | n/a |
| Application | Page 8 | III. List of Contentious Issues | Update construction projects - revenue requirement impacts for 2018 and 2019 from \$898,499 and \$6,297,735 to \$901,805 and \$6,300,555, respectively. | n/a |

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|--|-------------------|---|---|--|
| Application | Page 11 | III. List of Contentious Issues | Update revenue requirement impacts related to parent company rate base for 2018 and 2019 from \$98,476 and \$238,149 to \$75,585 and \$214,110, respectively. | n/a |
| Application | Page 11 | III. List of Contentious Issues | Adding two additional issues related to discovery deadlines and rate case scheduling. | n/a |
| Application | Page 14 | VII. Proposed 2017 General Rate Case Schedule | Updating the Proposed Schedule to reflect the observed holiday on Monday, January 2. | n/a |
| Application | Page 18 | X. Exhibits and Testimony | Updating description of sponsored materials to include Chapter 5 "Operating Expenses", except for the areas of payroll, conservation, insurance and parent company expenses, and Chapter 8, "Rate Base" as it relates to working cash." | n/a |
| Exhibit B - Notice to Customers | Page 1, page 2 | n/a | Update amounts and percentages for 2018 through 2020 to reflect the changes in revenue requirements. | n/a |
| Exhibit E - Tariffs | Various | Various | Update rates to reflect the changes in revenue requirements. | n/a |
| Results of Operations For Test Years Ending December 31, 2018 and 2019, and Attrition Year 2020 | Page 1-1 | 1.3 Overview of Report | Update revenue requirement amounts and percentages for 2018 through 2020. | n/a |

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|---|-----------|---------------------------------------|---|--|
| Results of Operations For Test Years Ending December 31, 2018 and 2019, and Attrition Year 2020 | Page 2-3 | 2.2 Proceedings before the Commission | Update advice letter filing with the commission, add advice letters 318-W through 320-W. | n/a |
| Results of Operations For Test Years Ending December 31, 2018 and 2019, and Attrition Year 2020 | Various | Various | Update tables: 4-7, 5-1, 5-4, 6-1B, 6-1C, 6-2B, 6-4, 6-5, 6-6, 6-7, 7-3, 7-4, 8-1, 8-2, 9-1, 9-3, 9-4, 9-5, 10-1, 10-2, 11-1, 11-2, 12-2, 12-3, 12-5 through 12-26. | n/a |
| Minimum Data Requirements | Page 12 | D.1 through D.4 | Add percentage increase for authorized TY 2015; add rate base and percentage increase for authorized TY 2016 and proposed TY 2019 | n/a |
| Minimum Data Requirements | n/a | E.5 | Suburban will provide information on outside contractors for the last 4 years in a separate document. | n/a |
| Minimum Data Requirements | Page 14 | E.6 | Add annual leaks information by system in the last 5 years. | n/a |
| Minimum Data Requirements | Page 15 | E.9 | Add information about specific leak reduction measures | n/a |
| Minimum Data Requirements | Page 16 | E.11 | Add information on feet of and size of mains replaced for 2016 test year and proposed test year 2019. | n/a |
| Minimum Data Requirements | Page 17 | E.13 | Add information for 2019 TY. | n/a |

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|---------------------------|-----------|-----------------------------|---|--|
| Minimum Data Requirements | Page 17 | E.14 | Add information for 2019 TY. | n/a |
| Minimum Data Requirements | Page 17 | E.15 | Add information for 2019 TY. | n/a |
| Minimum Data Requirements | Page 21 | F.9 | Add information for 2016 authorized TY and proposed 2018 and 2019 test years. | n/a |
| Minimum Data Requirements | Page 22 | G.6 | Add information for Glendora and La Mirada's inspection reports in Attachment No. 11. | n/a |
| Minimum Data Requirements | Page 25 | I.1 | Add Attachment No. 13 to MDR for explanation on 3-Factor allocation files backup related to Operating Expenses, Payroll and Plant in service; discussion of cost allocation for Utility Group; add reference to 9 service contracts reports of affiliate. | n/a |
| Minimum Data Requirements | Page 26 | I.2 | Add explanation on expenses related to NTP&S, and reference to Non-Tariffed Services. | n/a |
| Minimum Data Requirements | Page 27 | L.1 | Add information related to services break type by service area for 1998 through 2015. | n/a |
| Minimum Data Requirements | Page 28 | L.2 | Add explanation on "Capital Replacement Plan". | n/a |
| Minimum Data Requirements | Page 28 | L.3 | Add Attachment No. 14 to MDR for Suburban's annual reports to DDW for the past five years. | n/a |
| Minimum Data Requirements | Page 28 | L.4 - L.5 | Projects Plan 209 and 408 issues related to CWIP and plant addition were resolved via several telephone calls with Laura Krannawitter. | n/a |
| Minimum Data Requirements | Page 28 | L.6 | Suburban will update the MDR to be consistent with Table 8-1 rate base. | n/a |
| Minimum Data Requirements | Page 28 | L.7 | Add explanation to file GRC 2017 PA Final (GRC 2017 - A.17-01-xxx.xlsx) cells M3500:O3505. | n/a |

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|--------------------------|--|--|---|--|
| Workpapers, Vol. I | Pages 11, 109, 118 | Tables 4-7, 11-2, and 12-7 | UF Surcharge increase from 1.17% to 1.44% pursuant to CPUC Resolution M-4830 dated December 1, 2016. | \$882 |
| Workpapers, Vol. I | Pages 13, 14, 18, 112 | Worksheets 4-7B, 4- 7C, 4-7G, and Table 12-1 | Update 2017 rates based on AL 318-W filed on November 15, 2016. | (\$4,398) |
| Workpapers, Vol. I | Page 11 | Table 4-7 | To include WLM recycled water revenue in TY 2018 and 2019. | \$237 |
| Workpapers, Vol. I | File GRC 2017 - A.17-01- xxx.xlsx | Tab 'Edison' | Update various rate table to reflect Edison's rates as of October 1, 2016 pursuant to AL 3477-E. | \$11,602 |
| Workpapers, Vol. I | File GRC 2017 - A.17-01- xxx.xlsx | Tab 'Edison' | Update various rate table to reflect PUCRF rate component from \$0.00033 to \$0.00043 pursuant to Commission's Resolution M-4830, issued on December 2, 2016. | \$2,099 |
| Workpapers, Vol. I | Pages 70 - 71 | Tables 6-1B and 6-1C | Update utility asset account from 342 to 343 based on telephone conversation with Laura Krannawitter. | n/a |
| Workpapers, Vol. I | Page 73 | Table 6-2B | Update asset account from 342 to 343 on several projects. | \$0 |
| Workpapers, Vol. I | Page 105 | Table 9-5 | Add activities for years 2017 through 2019. | n/a |
| Workpapers, Vol. I | Page 104 | Table 9-4 | Correct linking from Table 9-4 line 21 to Table 9-5 line 18 | (\$1,106) |
| Workpapers, Vol. I | Page 104 | Table 9-4 | Correct linking from Table 9-4 line 11 to Table 9-5 line 18 | (\$1,760) |
| Workpapers, Vol. II-A | Pages 578 - 586 | Edison Tariff Sheets | Update Edison's rates to reflect the most current rates used in calculating power costs related to water production. | n/a |

| DOCUMENT | REFERENCE | SHEET TITLE/ ITEM NUMBER | DIFFERENCE / EXPLANATION | IMPACT ON 2018 REVENUE REQUIREMENT |
|--|-----------|-----------------------------|---|--|
| Prepared Testimony of Kiki Carlson | Page 1 | | Updating description of sponsored materials to include Chapter 5 "Operating Expenses", except for the areas of payroll, conservation, insurance and parent company expenses, and Chapter 8, "Rate Base" as it relates to working cash." (conforms to listing in Application). | n/a |

EXHIBIT E

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

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 | \$ 3.346 | (I) |
| | Block 2 | 3.756 | \| |
| Tariff Area No. 2 | Block 1 | \$ 3.482 | |
| | Block 2 | 3.838 | \| |
| Tariff Area No. 3 | Block 1 | \$ 3.632 | |
| | Block 2 | 4.151 | (I) |

| | | <u>Service Charge</u> | <u>Block 1 Usage</u> | |
|--------------------------|-------|-----------------------|-------------------------------|-----|
| | | <u>Per Meter</u> | <u>Up To (per 100 cu.ft.)</u> | |
| | | <u>Per Month</u> | <u>Per Month</u> | |
| For 5/8 x 3/4-inch meter | ..... | \$ 13.51 | 20 | (I) |
| For 3/4-inch meter | ..... | 20.27 | 20 | \| |
| For 1-inch meter | ..... | 33.78 | 28 | \| |
| For 1-1/2-inch meter | ..... | 67.56 | 70 | \| |
| For 2-inch meter | ..... | 108.10 | 233 | \| |
| For 3-inch meter | ..... | 202.69 | 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)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Per Meter
Per Month

Quantity Rates:

For all water, per 100 cu. ft.:

| | | | |
|-------------------|-------|----------|-----|
| Tariff Area No. 1 | ..... | \$ 3.447 | (I) |
| Tariff Area No. 2 | ..... | 3.563 | I |
| Tariff Area No. 3 | ..... | 3.689 | (I) |

Service Charge:

| | | | |
|--------------------------|-------|----------|-----|
| For 5/8 x 3/4-inch meter | ..... | \$ 13.51 | (I) |
| For 3/4-inch meter | ..... | 20.27 | I |
| For 1-inch meter | ..... | 33.78 | I |
| For 1-1/2-inch meter | ..... | 67.56 | I |
| For 2-inch meter | ..... | 108.10 | I |
| For 3-inch meter | ..... | 202.69 | I |
| For 4-inch meter | ..... | 337.82 | I |
| For 6-inch meter | ..... | 675.63 | I |
| For 8-inch meter | ..... | 1,081.01 | I |
| For 10-inch meter | ..... | 1,553.95 | (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
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised _____ Cal. P.U.C. Sheet No. _____
Canceling Revised _____ 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 | ..... | \$ 2.930 | (I) |
| Tariff Area No. 2 | ..... | 3.028 | I |
| Tariff Area No. 3 | ..... | 3.136 | (I) |

Service Charge:

| | | Per Meter Per Month | |
|--------------------------|-------|------------------------|-----|
| For 5/8 x 3/4-inch meter | ..... | \$ 13.51 | (I) |
| For 3/4-inch meter | ..... | 20.27 | I |
| For 1-inch meter | ..... | 33.78 | I |
| For 1-1/2-inch meter | ..... | 67.56 | I |
| For 2-inch meter | ..... | 108.10 | I |
| For 3-inch meter | ..... | 202.69 | I |
| For 4-inch meter | ..... | 337.82 | I |
| For 6-inch meter | ..... | 675.63 | I |
| For 8-inch meter | ..... | 1,081.01 | I |
| For 10-inch meter | ..... | 1,553.95 | (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)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised Cal. P.U.C. Sheet No. _____
Canceling Revised Cal. P.U.C. Sheet 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 | \$ 3.029 | (I) |
| | Block 2 | 3.419 | \| |
| Tariff Area No. 2 | Block 1 | \$ 3.220 | |
| | Block 2 | 3.551 | \| |
| Tariff Area No. 3 | Block 1 | \$ 3.480 | |
| | Block 2 | 3.774 | (I) |

| | <u>Service Charge</u> | <u>Block 1 Usage</u> | |
|--------------------------------|--------------------------------------|---|-----|
| | <u>Per Meter</u> <u>Per Month</u> | <u>Up To (per 100 cu.ft.)</u> <u>Per Month</u> | |
| For 5/8 x 3/4-inch meter | \$ 13.51 | 20 | (I) |
| For 3/4-inch meter | 20.27 | 20 | \| |
| For 1-inch meter | 33.78 | 28 | \| |
| For 1-1/2-inch meter | 67.56 | 70 | \| |
| For 2-inch meter | 108.10 | 233 | \| |
| For 3-inch meter | 202.69 | 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)

Issued by

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

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

Decision No. _____ Vice President _____ Effective _____
Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Per Meter
Per Month

Quantity Rates:

For all water, per 100 cu. ft.:

| | | | |
|-------------------|-------|----------|-----|
| Tariff Area No. 1 | ..... | \$ 3.113 | (I) |
| Tariff Area No. 2 | ..... | 3.285 | I |
| Tariff Area No. 3 | ..... | 3.579 | (I) |

Service Charge:

| | | | |
|--------------------------|-------|----------|-----|
| For 5/8 x 3/4-inch meter | ..... | \$ 13.51 | (I) |
| For 3/4-inch meter | ..... | 20.27 | I |
| For 1-inch meter | ..... | 33.78 | I |
| For 1-1/2-inch meter | ..... | 67.56 | I |
| For 2-inch meter | ..... | 108.10 | I |
| For 3-inch meter | ..... | 202.69 | I |
| For 4-inch meter | ..... | 337.82 | I |
| For 6-inch meter | ..... | 675.63 | I |
| For 8-inch meter | ..... | 1,081.01 | I |
| For 10-inch meter | ..... | 1,553.95 | (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)

Issued by

(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
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Schedule WLM-3

WHITTIER/LA MIRADA SERVICE AREA

(N)

RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered 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.

(N)

RATES

Quantity Rates:

(N)

For all water, per 100 cu. ft.:

| | | |
|-------------------|-------|----------|
| Tariff Area No. 1 | ..... | \$ 2.646 |
| Tariff Area No. 2 | ..... | 2.792 |
| Tariff Area No. 3 | ..... | 3.042 |

Service Charge:

Per Meter
Per Month

| | | |
|--------------------------|-------|----------|
| For 5/8 x 3/4-inch meter | ..... | \$ 13.51 |
| For 3/4-inch meter | ..... | 20.27 |
| For 1-inch meter | ..... | 33.78 |
| For 1-1/2-inch meter | ..... | 67.56 |
| For 2-inch meter | ..... | 108.10 |
| For 3-inch meter | ..... | 202.69 |
| For 4-inch meter | ..... | 337.82 |
| For 6-inch meter | ..... | 675.63 |
| For 8-inch meter | ..... | 1,081.01 |
| For 10-inch meter | ..... | 1,553.95 |

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.

(N)

(Continued)

(To be inserted by utility)

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

Decision No. _____ Vice President _____ Effective _____
Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised Cal. P.U.C. Sheet No. _____
Canceling Revised Cal. P.U.C. Sheet 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 \$24.11 (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)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
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 \$31.90 (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)

Issued by

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

Advise Letter No. _____

Robert L. Kelly
Name

Date Filed _____

Decision No. _____

Vice President
Title

Effective _____

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave. , Ste. 100
Covina, CA 91724-4044

Revised _____
Canceling Revised _____

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

Schedule SJ-1

(Continued)

SAN JOSE HILLS SERVICE AREA
RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

1. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the San Jose Hills Service Area as filed in these tariff schedules.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018. (I)
4. Low Income Ratepayer Assistance (LIRA) Memorandum Account
 - a. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - b. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - c. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedule SJ-1.
 - d. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - e. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - iii. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.
5. As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of \$0.1554 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 36 months.

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Schedule SJ-1
(Continued)

SAN JOSE HILLS SERVICE AREA
RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

- | | |
|---|---------------------------|
| | (D) |
| | (D) |
| | (D) |
| | (D) |
| 6. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of \$0.112 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months. | (T) |
| 7. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all non Low Income Ratepayer Assistance (LIRA) bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collected balance in the LIRA Program as of September 30, 2016. | (N) (N) |
| 8. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016. | (N) (N) |

(To be inserted by utility)

Issued by

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

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

Schedule SJ-2
(Continued)

SAN JOSE HILLS SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

1. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the San Jose Hills Service Area as filed in these tariff schedules.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018. (I)
4. Low Income Ratepayer Assistance (LIRA) Memorandum Account
 - f. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - g. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - h. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedules SJ-2.
 - i. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - j. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - iii. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.
5. As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of \$0.1554 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 36 months.

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Schedule SJ-2
(Continued)

SAN JOSE HILLS SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

- | | |
|---|---------------------------|
| | (D) |
| | (D) |
| | (D) |
| 6. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of \$0.112 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months. | (T) |
| 7. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collection balance in the LIRA Program as of September 30, 2016. | (N) (N) |
| 8. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016. | (N) (N) |
| 9. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcredit of \$0.43 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcredit will refund the over-collection balance in Water Revenue Adjustment Mechanism. | (N) (N) |

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Schedule SJ-3
(Continued)

SAN JOSE HILLS SERVICE AREA
RECYCLED WATER METERED SERVICE

SPECIAL CONDITIONS

1. The quantity rate is set at 85% of the quantity rate of Schedule No. SJ-2.
2. The customer is responsible for compliance with all local, state, federal rules, and regulations that apply to the use of recycled water on the customer's premises.
3. The utility will supply only such recycled water at such pressure as may be available from time to time from the recycled water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. As a condition of service under this schedule, all customers are required to comply with the Company's Rule 16, Section D, Recycled Water Metered Service.
5. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the San Jose Hills Service Area as filed in these tariff schedules.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018. (I)

(Continued)

(To be inserted by utility)

Issued by

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

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

Schedule SJ-3
(Continued)

SAN JOSE HILLS SERVICE AREA
RECYCLED WATER METERED SERVICE

SPECIAL CONDITIONS

8. Low Income Ratepayer Assistance (LIRA) Memorandum Account
- a. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - b. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - c. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedules SJ-3.
 - d. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - e. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - iii. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.

9. As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of \$0.1041 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months.
10. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collection balance in the LIRA Program as of September 30, 2016.
11. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016.

(D)
(D)
(N)
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|
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(N)

(N)
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|
|
(N)

(Continued)

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

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

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

Schedule SJ-3
(Continued)

SAN JOSE HILLS SERVICE AREA
RECYCLED WATER METERED SERVICE

SPECIAL CONDITIONS

12. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of \$0.024 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months. (D)
(T)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Schedule WLM-1
(Continued)

WHITTIER/LA MIRADA SERVICE AREA
RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

1. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the Whittier/La Mirada District as filed in these tariff schedules.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018. (I)
4. Low Income Ratepayer Assistance (LIRA) Memorandum Account
 - k. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - l. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - m. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedule WLM-1.
 - n. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - o. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - iii. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.
5. A Local Government Fee Surcharge is included as a separate line item on bills in the City of Whittier to collect franchise taxes. The amount collected is 4.0% of the gross amount of customers' bills beginning November 11, 2010 through November 10, 2011, 8.0% beginning November 11, 2011 through November 10, 2012, and 12.0% beginning November 11, 2012 through November 10, 2035.

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave. , Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

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

Schedule WLM-1
(Continued)

WHITTIER/LA MIRADA SERVICE AREA
RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

6. As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of \$0.1528 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 24 months. (D)
(D)
(D)
(D)
7. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of \$0.050 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months. (T)
8. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all non Low Income Ratepayer Assistance (LIRA) bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collected balance in the LIRA Program as of September 30, 2016. (N)
|
|
|
(N)
9. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016. (N)
|
|
|
(N)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly
Name

Date Filed _____

Decision No. _____

Vice President
Title

Effective _____

Resolution No. _____

Schedule WLM-2
(Continued)

WHITTIER/LA MIRADA SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

1. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the Whittier/La Mirada District as filed in these tariff schedules.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018. (I)
4. Low Income Ratepayer Assistance (LIRA) Memorandum Account
 - p. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - q. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - r. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedules WLM-2.
 - s. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - t. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - i. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - ii. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - iii. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.

The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.
5. A Local Government Fee Surcharge is included as a separate line item on bills in the City of Whittier to collect franchise taxes. The amount collected is 4.0% of the gross amount of customers' bills beginning November 11, 2010 through November 10, 2011, 8.0% beginning November 11, 2011 through November 10, 2012, and 12.0% beginning November 11, 2012 through November 10, 2035.

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave. , Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

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

Schedule WLM-2
(Continued)

WHITTIER/LA MIRADA SERVICE AREA
NON RESIDENTIAL METERED SERVICE

SPECIAL CONDITIONS

- | | | |
|-----|--|---------------------------|
| 6. | As authorized by the California Public Utilities Commission, beginning December 1, 2014 all bills are subject to a surcharge of \$0.1528 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 24 months. | (D) (D) (D) |
| 7. | As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to Advice Letter 313-W, beginning October 16, 2015, all bills are subject to a surcharge of \$0.050 per 100 cubic feet of water used. The surcharge will continue until the under-collection in the balancing account has been fully amortized, approximately 12 months. | (T) |
| 8. | As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collection balance in the LIRA Program as of September 30, 2016. | (N) (N) |
| 9. | As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016. | (N) (N) |
| 10. | As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcredit of \$0.43 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcredit will refund the over-collection balance in Water Revenue Adjustment Mechanism. | (N) (N) |

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

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

Schedule WLM-3
(Continued)

(N)

WHITTIER/LA MIRADA SERVICE AREA
RECYCLED WATER METERED SERVICE

SPECIAL CONDITIONS

1. The quantity rate is set at 85% of the quantity rate of Schedule No. WLM-2.
2. The customer is responsible for compliance with all local, state, federal rules, and regulations that apply to the use of recycled water on the customer's premises.
3. The utility will supply only such recycled water at such pressure as may be available from time to time from the recycled water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. As a condition of service under this schedule, all customers are required to comply with the Company's Rule 16, Section D, Recycled Water Metered Service.
5. The boundaries of the Tariff Areas in which the above rates apply are delineated on the Service Area Map for the Whittier/La Mirada Service Area as filed in these tariff schedules.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. A Local Government Fee Surcharge is included as a separate line item on bills in the City of Whittier to collect franchise taxes. The amount collected is 4.0% of the gross amount of customers' bills beginning November 11, 2010 through November 10, 2011, 8.0% beginning November 11, 2011 through November 10, 2012, and 12.0% beginning November 11, 2012 through November 10, 2035.
8. A surcharge of \$0.045 per 100 cubic feet is to be applied to the monthly bills of all metered customers, excluding those customers receiving a Low Income Ratepayer Assistance (LIRA) credit, in order to support the LIRA program, commencing January 1, 2018.

(N)

(Continued)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Schedule WLM-3
(Continued)

(N)
|

WHITTIER/LA MIRADA SERVICE AREA
RECYCLED WATER METERED SERVICE

SPECIAL CONDITIONS

8. Low Income Ratepayer Assistance (LIRA) Memorandum Account
- u. The Company shall maintain a Low Income Ratepayer Assistance (LIRA) Memorandum Account to record the differences between LIRA discounts, program costs, and the revenues generated by the LIRA surcharge.
 - v. The Company will record the LIRA discounts (credits) for service as provided under Schedule No. LIC-1.
 - w. The Company will record the LIRA surcharge for service as provided under Special Conditions in Schedules WLM-3.
 - x. The Company will record the incremental costs for the LIRA program administration, which have not been reflected in authorized rates.
 - y. The Company shall maintain the LIRA memorandum account by making entries at the end of each month as follows:
 - iv. A debit entry shall be made to the LIRA memorandum account at the end of each month to record the LIRA discounts and program costs.
 - v. A credit entry shall be made to the LIRA memorandum account at the end of each month to record the revenues from the LIRA surcharges.
 - vi. Interest shall accrue to the LIRA memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of month and the end-of-month balances.
- The LIRA memorandum account shall go into effect on the effective date of Advice Letter 254-W.
9. As authorized by the California Public Utilities Commission (C.P.U.C.), pursuant to D.xx-xx-xxx, all bills are subject to a surcharge of \$0.027 per 100 cubic feet, for a 12-month period, beginning with the effective date of Advice Letter xxx-W. This surcharge will recover the under-collection balance in the LIRA Program as of September 30, 2016.
10. As authorized by the California Public Utilities Commission (C.P.U.C.) pursuant to D.xx-xx-xxx, all bills are subject to a one-time surcharge of \$0.10 per 100 cubic feet, beginning with the effective date of Advice Letter xxx-W. This surcharge will amortize the under-collection balance in various Memorandum and Balancing accounts as of September 30, 2016.

(N)

(Continued)

(To be inserted by utility)

Issued by

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

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

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

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

Rule No. 11
(Continued)

DISCONTINUANCE AND RESTORATION OF SERVICE

B. 4. For Unsafe Apparatus of Where Service is Detrimental or Damaging to the Utility or its Customers

If an unsafe or hazardous condition is found to exist on the customer's premises, or if the use of water thereon by apparatus, appliances, equipment or otherwise is found to be detrimental or damaging to the Utility or its customers, the service may be shut off without notice. The Utility will notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.

5. For Fraudulent Use of Service

When the Utility has discovered that a customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The Utility will not restore service to such customer until that customer has complied with all filed rules and reasonable requirements of the Utility and the Utility has been reimbursed for the full amount of the service rendered and the actual cost to the Utility incurred by reason of the fraudulent use.

C. Restoration of Service

1. Reconnection Charge

Where service has been discontinued for violation of these rules or for nonpayment of bills, the utility may charge \$35.00 for reconnection of service during regular working hours or \$70.00 for reconnection of service at other than regular working hours when the customer has requested that the reconnection be made at other than regular working hours.

(I)
(I)

2. To be Made During Regular Working Hours

The Utility will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit, otherwise reconnections will be made on the regular working day following the day the request is made.

(Continued)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly
Name

Date Filed _____

Decision No. _____

Vice President
Title

Effective _____

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Suite 100
Covina, CA 91724-4044

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

Form No. 7
WATER SHUT-OFF NOTICE

(To be inserted by utility)

Advise Letter No. _____

Decision No. _____

Issued by

Robert L. Kelly

Name

Vice President

Title

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

Date Filed _____

Effective _____

Resolution No. _____



**Suburban
Water Systems**

A SouthWest Water Company

2235 E Garvey Avenue #A
West Covina, CA 91791

For Questions Call (626) 543-2640
Monday-Friday 8:00A.M. to 4:30 P.M.

Date Of Notice:

Service Address:

Account Name:

Account Number:

WATER SHUT-OFF NOTICE

If you have made a recent payment, please accept our thanks and verify your account balance online at <https://www.swwc.com/myaccount/> or call our office to verify that the payment was received.

Your account is now **PAST DUE**. To prevent your water service from being discontinued, payment of the

PAST DUE AMOUNT of _____ must be received in our office by 4:30 p.m. on _____

Current Amount:

Total Past Due Amount:

Total Due:

You may pay **online** at <https://www.swwc.com/myaccount/>, by **phone** at the number listed above, or **in person** at the address listed above. If you are a Residential customer, we accept Visa or Mastercard as payment through any of these three options*. Please do not mail your payment unless you are sure it will reach our office in time.

If water service is shut off, it will be restored only after the following amounts are received in our office during regular working hours: the **TOTAL DUE** shown above, a \$35 reconnection fee, \$70 after regular working hours, and you may be required to pay a credit deposit of _____

Once water is shut off, you will be required to pay as much as _____ to have water restored.

Non-Residential Customers: We are unable to accept Visa or Mastercard payments for Business accounts. You may pay online via check.

..... Please detach and return the bottom portion with your payment:



**Suburban
Water Systems**

A SouthWest Water Company

Account Number:

Service Address:

**POST OFFICE
BOX 6105**

Total Now Due:



Suburban Water Systems

A SouthWest Water Company

2235 E Garvey Avenue #A
West Covina, CA 91791

For Questions Call (626) 543-2640
Monday-Friday 8:00A.M. to 4:30 P.M.

If you are unable to pay the amount shown on this notice, you must contact Suburban Water Systems' office serving your area as shown on this notice and make your payment arrangements **on or before the due date indicated on this notice.**

If you are not satisfied with Suburban's payment arrangements, you are entitled, **prior to having your service shut off**, to contact:

California Public Utilities Commission
Consumer Affairs Branch
505 Van Ness Avenue
San Francisco, CA 94102

Telephone: (800) 649-7570
For the hearing impaired: TTY (866) 836-7825

This must be done within the 48-hour notice period.

Note: If you opt to use outside agents or payment stations to make your payment, whether or not authorized by Suburban Water Systems, we are not responsible if your payment is delayed in reaching our office.

LA MIRADA OFFICE
15088 ROSECRANS AVE
LA MIRADA, CA 90638

(562) 944-8219
(800) 203-5430
TTY (877) 405-1710

WEST COVINA OFFICE
2235 E GARVEY AVE N STE A
WEST COVINA, CA 91791

(626) 543-2640
(800) 203-5430
TTY (877) 405-1710

Suburban Water Systems
1325 N. Grand Ave., Suite 100
Covina, CA 91724-4044

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

Form No. 8
FINAL WATER SHUT-OFF NOTICE

(To be inserted by utility)

Advise Letter No. _____

Decision No. _____

Issued by

Robert L. Kelly

Name

Vice President

Title

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

Date Filed _____

Effective _____

Resolution No. _____



**Suburban
Water Systems**

A SouthWest Water Company

2235 E Garvey Avenue #A
West Covina, CA 91791

For Questions Call (626) 543-2640
Monday-Friday 8:00A.M. to 4:30 P.M.

Date Of Notice:

ServiceAddress:

Account Name:

Account Number:

FINAL WATER SHUT-OFF NOTICE

If you have made a recent payment, please accept our thanks and verify your account balance online at <https://www.swwc.com/myaccount/> or call our office to verify that the payment was received, or your water service may be shut off.

Your account is past due and scheduled for shut-off. To avoid having your water service shut off, payment of the **PAST DUE AMOUNT** of _____ must be received in our office by 4:30 p.m. on _____

Current Amount:

Total Past Due Amount:

Total Due:

If payment is not received by the above date, water service will be shut off.

DO NOT MAIL PAYMENT

You may pay **online** at <https://www.swwc.com/myaccount/>, by **phone** at the number listed above, or **in person** at the address listed above. If you are a Residential customer, we accept Visa or Mastercard as payment through any of these three options*.

If water service is shut off, it will be restored only after the following amounts are received in our office during regular working hours: the **TOTAL DUE** shown above, a \$35 reconnection fee, \$70 after regular working hours, and you may be required to pay a credit deposit of _____

Once water is shut off, you will be required to pay as much as _____ to have water restored. We will attempt to reconnect water during regular working hours once payment is made, otherwise water will be restored during the next business day. After hours reconnections may be provided, if conditions permit.

Please detach and return the bottom portion with your payment:



**Suburban
Water Systems**

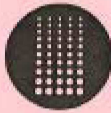
A SouthWest Water Company

Account Number:

Service Address:

**POST OFFICE
BOX 6105**

Total Now Due:



Suburban Water Systems

A SouthWest Water Company

2235 E Garvey Avenue #A
West Covina, CA 91791

For Questions Call (626) 543-2640
Monday-Friday 8:00A.M. to 4:30 P.M.

If you are unable to pay the amount shown on this notice, you must contact Suburban Water Systems' office serving your area as shown on this notice and make your payment arrangements **on or before the due date indicated on this notice.**

If you are not satisfied with Suburban's payment arrangements, you are entitled, **prior to having your service shut off**, to contact:

California Public Utilities Commission
Consumer Affairs Branch
505 Van Ness Avenue
San Francisco, CA 94102

Telephone: (800) 649-7570
For the hearing impaired: TTY (866) 836-7825

This must be done within the 48-hour notice period.

Note: If you opt to use outside agents or payment stations to make your payment, whether or not authorized by Suburban Water Systems, we are not responsible if your payment is delayed in reaching our office.

LA MIRADA OFFICE
15088 ROSECRANS AVE
LA MIRADA, CA 90638

(562) 944-8219
(800) 203-5430
TTY (877) 405-1710

WEST COVINA OFFICE
2235 E GARVEY AVE N STE A
WEST COVINA, CA 91791

(626) 543-2640
(800) 203-5430
TTY (877) 405-1710

PRELIMINARY STATEMENT
(Continued)

G. Low Income Customer Data Sharing Memorandum Account

(D)
(T)

1. PURPOSE: The purpose of the Low Income Customer Data Sharing Memorandum Account is to track the one time and ongoing data sharing costs in compliance with D.11-05-020.
2. APPLICABILITY: The Low Income Customer Data Sharing Memorandum Account applies to all areas served.
3. ACCOUNTING PROCEDURE:
Suburban Water Systems was granted a Memorandum Account in D.11-05-020:
 - a) A debit entry equal to the amount of costs associated with one time, and ongoing data sharing costs.
 - b) A credit entry to any rate recovery authorized by the C.P.U.C.

H. Symbols

(T)

Whenever tariff sheets are refiled, changes will be identified by the following symbols:

- (C) To signify changed listing, rule or condition which may affect rates or charges.
- (D) To signify discontinued materials, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to other part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule or condition.

I. Reservoir 216 Land Exchange Memorandum Account

(T)

1. PURPOSE: In compliance with Division of Water and Audit (DWA) letter dated March 25, 2013, DWA's analysis, criteria no. 3, Suburban has established a Reservoir 216 Land Exchange Memorandum Account in order to track the disposition of net proceeds from the land exchange transaction, including a two-year lease provision during the construction period, when Suburban will be operating the Plant 216 Reservoir on the Suburban property at the same time Suburban is constructing the replacement reservoir on the Cal Domestic parcel.

(Continued)

(To be inserted by utility)

Issued by

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

Advise Letter No. _____

Robert L. Kelly

Date Filed _____

Name

Decision No. _____

Vice President

Effective _____

Title

Resolution No. _____

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised _____
Canceling Revised _____

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

PRELIMINARY STATEMENT
(Continued)

I. Reservoir 216 Land Exchange Memorandum Account (Continued)

2. **PURPOSE:** In compliance with Division of Water and Audit (DWA) letter dated March 25, 2013, DWA's analysis, criteria no. 3, Suburban has established a Reservoir 216 Land Exchange Memorandum Account in order to track the disposition of net proceeds from the land exchange transaction, including a two-year lease provision during the construction period, when Suburban will be operating the Plant 216 Reservoir on the Suburban property at the same time Suburban is constructing the replacement reservoir on the Cal Domestic parcel.
3. When Suburban began preparing for the land swap it became aware of certain deed restrictions on the Suburban parcel that could delay the land swap with Cal Domestic. If those restrictions cannot be removed to the satisfaction of Cal Domestic, this issue could prohibit the land exchange from taking place and will require Suburban to lease Cal Domestic's property long term. Suburban has briefed DRA on the current status of the land exchange, including the possible unavoidable alternative of Suburban leasing Cal Domestic's property long term. DRA agreed not to protest advice letter 297-W.
4. The effective date of Reservoir 216 Land Exchange Memorandum Account is April 1, 2013 which is the date of Advice Letter 298-W was filed.
5. The disposition of net proceeds less the two-year land lease cost in the memorandum account will be deducted from Suburban rate base and will be addressed by the Commission in the next rate case subsequent to the land exchange transaction closing or other applicable proceeding before the Commission.

J. **Employee Healthcare (EH) Balancing Account**

(T)

1. **PURPOSE:**

The purpose of this balancing account is to record and recover the difference between the adopted forecast and the actual costs of employee healthcare expenses beginning January 1, 2018. Suburban Water Systems ("Suburban") will file a tier one Advice Letter to request recovery of the balance or request recovery in Suburban's next general rate case application. The authority to establish this account was granted in Decision xx-xx-xxx, dated xxxxxxxxx.

(T)

(T)

(Continued)

(To be inserted by utility)

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1325 N. Grand Ave., Ste. 100
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Revised _____
Canceling Revised _____

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

PRELIMINARY STATEMENT
(Continued)

J. Employee Healthcare (EH) Balancing Account (Continued)

2. ACCOUNTING PROCEDURE:

- a. The following entries will be made monthly to the EH Balancing Account:
 1. Recorded employee healthcare expense
 2. Adopted employee healthcare expense
 3. Net employee healthcare balance = (1) minus (2)
- b. The company will record the accumulated EH balance monthly, by adding its entry in section a.3. to the prior accumulated monthly balance, and apply the interest to the average net balance in the EH balancing account at a rate equal to one twelfth the interest rate on three month Non-Financial Commercial Paper as reported in the Federal Reserve Statistical Release.

K. Mandatory Conservation Memorandum Account (MCMA)

(T)

1. PURPOSE: The purpose of this MCMA is to track the incremental costs, penalties associated with the implementation of mandatory conservation and water rationing moratoria through Rule No. 14.1 and Schedule No. 14.1 pursuant to California Public Utilities Commission's Resolution W-5000.
2. APPLICABILITY:
 - i. The MCMA applies to all areas served by Suburban Water Systems.
 - ii. The MCMA with track:
 - a. Incremental operating and administrative costs associated with the implementation of mandatory conservation measures under Rule No. 14.1 and Schedule No. 14.1,
 - b. Penalties paid by the customers, or other compliance measures associated with water use violations, and
 - c. Penalties paid by Suburban Water Systems to its water wholesalers.
3. ACCOUNTING PROCEDURE:
 - a. A debit entry to record incremental expenses incurred associated with the implementation of water conservation and rationing;
 - b. A credit entry to record the penalties, or other compliance measures associated with the implementation of water conservation and rationing;
 - c. The MCMA will accrue interest on a monthly basis by applying a rate equal to one twelfth of the 3-month Non-Financial Commercial Paper as reported in the Federal Reserve Statistical Release H.15 or its successor publication to the average of the beginning-of-month and the end-of-month balances.

(Continued)

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PRELIMINARY STATEMENT
(Continued)

K. MCMA (Continued)

4. EFFECTIVE DATE: The MCMA shall have an effective date of August 14, 2014, the effective date of Commission Resolution W-5000.
5. DISPOSITION OF THE AMOUNT RECORDED IN THE MCMA: The Company shall file an Advice Letter to seek Commission approval for the recovery of the costs recorded in the MCMA as set forth in this Preliminary Statement, or will be reviewed in Suburban Water Systems' next General Rate Case.

L. Affiliate Transfer Fee Memorandum Account

(T)

1. PURPOSE:

The purpose of the Affiliate Transfer Fee Memorandum Account is to record transfer fees received by Suburban Water Systems ("Suburban") from affiliates when an employee of Suburban is transferred, assigned, or otherwise employed by the affiliate pursuant to Appendix A, Rule IV.D.2. of Decision No. 10-10-019. All transfer fees paid to Suburban shall be accounted for in the Affiliate Transfer Fee Memorandum Account and tracked for future ratemaking treatment. This transfer payment provision does not apply to clerical workers.

2. ACCOUNTING PROCEDURE:

- a. The following entries will be made monthly to the Affiliate Transfer Fee Memorandum Account:
 1. A credit entry equal to the transfer fee received by Suburban from an affiliate when an employee of Suburban is transferred, assigned, or otherwise employed by the affiliate.

(D)

M. Recycled Water Balancing Account (RWBA)

(T)

1. AUTHORIZATION:

This balancing account was established pursuant to Commission's Decision 12-04-009, effective January 1, 2012.

2. PURPOSE:

The purpose of the RWBA is to record on a monthly basis: the difference between recorded and authorized quantity rate per acre foot for recycled water multiplied by the recorded purchased of recycled water.

(Continued)

(To be inserted by utility)

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Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised _____
Canceling Revised _____

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

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

PRELIMINARY STATEMENT
(Continued)

M. RWBA (Continued)

3. APPLICABILITY:

The RWBA is applicable to all areas served.

4. ACCOUNTING PROCEDURE:

- a. The following entries will be recorded monthly:
 - i. A debit entry for the recorded recycled water purchased expenses.
 - ii. A credit entry for the adopted cost per acre foot for recycled water multiplied by the recorded quantity.
 - iii. Total net RWBA balance = (i) minus (ii).
- b. The Company will record the accumulated RWBA balance monthly, by adding its entry in section a.iii. to the prior accumulated monthly balance.
- c. Interest shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate – Non Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.
- d. The recovery of under-collections or refunds of over-collection will be passed on to the ratepayers of recycled water through volumetric surcharge or surcredit respectively.
- e. Franchise Fees and Uncollectible Accounts Expense shall be calculated using the factors most recently authorized by the Commission.
- f. The Company will establish separate RWBA for each of its two service areas – San Jose Hills and Whittier/La Mirada.

(To be inserted by utility)

Issued by

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

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