

BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA



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Application of SAN GABRIEL VALLEY WATER COMPANY (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$13,758,500 or 13.2% in July 2026, \$4,535,700 or 3.8% in July 2027, and \$4,867,900 or 4.0% in July 2028, and in its Fontana Water Company division by \$12,335,200 or 12.7% in July 2026, \$4,368,100 or 3.9% in July 2027, and \$4,467,900 or 3.9% in July 2028, and related relief.

Application 25-01-001

PROTEST OF THE PUBLIC ADVOCATES OFFICE

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BEFORE THE PUBLIC UTILITIES
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Application of SAN GABRIEL VALLEY WATER COMPANY (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$13,758,500 or 13.2% in July 2026, \$4,535,700 or 3.8% in July 2027, and \$4,867,900 or 4.0% in July 2028, and in its Fontana Water Company division by \$12,335,200 or 12.7% in July 2026, \$4,368,100 or 3.9% in July 2027, and \$4,467,900 or 3.9% in July 2028, and related relief.

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I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this Protest to San Gabriel Valley Water Company's (San Gabriel's) Application (A.) 25-01-001. San Gabriel requests authorization to increase rates for water service in its Los Angeles County Division by \$13,758,500 or 13.2% in July 2026, \$4,535,700 or 3.8% in July 2027, and \$4,867,900 or 4.0% in July 2028, and in its Fontana Water Company division by \$12,335,200 or 12.7% in July 2026, \$4,368,100 or 3.9% in July 2027, and \$4,467,900 or 3.9% in July 2028.

II. ISSUES TO BE ADDRESSED

Cal Advocates is conducting its discovery, investigation, and review to address issues raised in the Application, including whether San Gabriel's estimated levels of revenues, expenses, rate base, and rate design are just and reasonable. Cal Advocates is also reviewing whether San Gabriel's special requests are appropriate and in the public interest.

Cal Advocates is troubled with the magnitude of San Gabriel's proposed rate increases and their potential impact on ratepayers. Cal Advocates is particularly concerned with San Gabriel's proposed increase in rate base, which is 27.58% more than its presently adopted amount in the Los Angeles County Division, and 19.42% in the Fontana Water Company Division.¹

Cal Advocates has conducted a preliminary review of the Applications and identified the following issues for the Commission to consider in this proceeding. Cal Advocates may identify and address additional issues as its discovery and analysis proceeds.

General Issues:

1. Whether San Gabriel's estimated sales, revenue, consumption, and number of customers are reasonable and supported.
2. Whether San Gabriel's proposed revenue requirement (and the various components of the revenue requirement) is reasonably calculated to provide safe and reliable service.
3. Whether San Gabriel's proposed rate designs are equitable and promote the Commission's goals of affordability, conservation, and social justice.

Special Requests:

1. Whether San Gabriel's request to issue a Finding of Fact that the Los Angeles County and Fontana Water Company divisions have operated in compliance with all applicable safe drinking water quality standards since its last GRC, is reasonable.
2. Whether San Gabriel's request to incorporate into final decision any changes to base rates that occur after the filing of this Application and before the start of the Test Year beginning July 1, 2026, in this proceeding is reasonable. These changes include, but are not limited to, escalation years filings, water and power cost offset filings, and changes in San Gabriel's adopted rate of return.

¹ San Gabriel Excel GRC Workpapers titled *GRCWorkpapers-2025*, tab SOE1.

3. Whether San Gabriel's request to transfer the balances recorded in the Catastrophic Event Memorandum Accounts, Water Conservation Memorandum Accounts, and Payment Options Memorandum Account to the Previously Authorized Balances Balancing Accounts for each division, and to the extent the one-way Conservation Program Balancing Accounts are under-spent (i.e. over-collected) as of June 30, 2026, refund such balances by Tier 2 advice letter, or to the extent such balancing accounts are over-spent (i.e. under-collected) as of June 30, 2026, reset the July 1, 2026 balance(s) to zero, is reasonable.
4. Whether San Gabriel's request to open a balancing account to record and track for future refund or recovery through rates the differences between the actual costs recorded for post-retirement benefits other than pension ("PBOP") and the amounts adopted for ratemaking purposed in this and future GRCs, is reasonable.
5. Whether San Gabriel's request to incorporate into the final rates adopted in this proceeding, the most recent escalation rates published by Cal Advocates as well as the most recent annual change in the consumer price index (CPI-U), is reasonable.
6. Whether San Gabriel's request that the Commission should issue an interim decision allowing the Company to implement interim rates at the levels reflected in the potential settlement agreement, subject to adjustments when a final decision is adopted, is reasonable.

III. NEED FOR HEARINGS

Cal Advocates anticipates that evidentiary hearings will be necessary. Cal Advocates' analysis is necessarily fact-intensive and will likely result in disputed issues of material fact. If in-person evidentiary hearings are held, Cal Advocates recommends that they be held at the Commission's Los Angeles office because San Gabriel's service territories are exclusively in Southern California and Cal Advocates' and San Gabriel's staff are also primarily located there. This venue will be the most convenient and cost-effective for the parties and for affected customers who may wish to attend the hearings.

IV. SCHEDULE

Cal Advocates' proposed schedule primarily follows the Rate Case Plan schedule

of 20-months as outlined in Decision 07-06-062 for companies filing a general rate case with multiple districts.² San Gabriel and Cal Advocates' proposed schedules are not significantly different, but differences in Cal Advocates' proposed schedule primarily results from accounting for the weekends and holidays.

Event	San Gabriel Proposed 20-Month Rate Case Plan Schedule	Cal Advocates Proposed 20-Month Schedule
Proposed Application Tendered	11/01/24	11/01/24
Deficiency Letter Mailed	12/02/24	12/02/24
Application Filed/Testimony Served	01/02/25	01/02/25
Application Placed on Daily Calendar		01/03/25
Pre-Hearing Conference (PHC)		01/13/25 - 03/18/25
Update of Applicant's Showing	04/14/25	04/14/25
Public Participation Hearing (PPH)	07/10/25 (or earlier)	04/15/25 - 07/11/25
Cal Advocates Report	07/25/25	07/25/25
Other Parties Serve Testimony	08/08/25	08/08/25
Rebuttal Testimony	09/26/25	09/23/25
Alternative Dispute Resolution Process (meet and confer)	October 2025	09/29/25 - 10/20/25
Evidentiary Hearings (if required)	10/20/25 (to begin)	10/20/25 - 11/08/25
Opening Briefs Filed and Served	12/08/25	12/08/25
Mandatory Status Conference	12/12/25	12/09/25
Reply Briefs Filed and Served (with Comparison Exhibit)	12/19/25	12/18/25
Water Division Technical Conference	01/12/26	01/07/26
Proposed Decision Mailed	04/10/26	04/07/26
Comments on Proposed Decision	04/28/26	04/27/26
Reply Comments	05/04/26	05/04/26
Commission's Decision	05/19/26	05/18/26
New Rates Effective	07/01/26	07/01/26

² Decision (D.) 07-05-062, *Opinion Adopting Revised Rate Case Plan for Class A Water Utilities 2007*, at 5-9.

V. EX PARTE COMMUNICATIONS

Pursuant to Rule 8.2(d), the assigned Commissioner may “issue a ruling to prohibit or restrict ex parte communications in a quasi-legislative or rate setting proceeding.” Cal Advocates requests that the Commission exercise its authority in this proceeding to prohibit individual oral ex parte communications. In lieu of individual oral ex parte communications in this proceeding, the Commission should allow only all-party meetings. Limiting the parties’ communications with decisionmakers to all-party meetings and written ex partes, rather than a series of individual meetings with decisionmakers, will enhance both efficiency and transparency in this proceeding, as well as supporting the requirement that decisions made in this proceeding be based solely on the evidentiary record.

VI. CATEGORIZATION

Cal Advocates agrees with San Gabriel that the Commission should categorize this proceeding as ratesetting.

VII. CONCLUSION

Cal Advocates respectfully request that the Commission adopt Cal Advocates’ identified issues as within the scope of this proceeding, hold evidentiary hearings at the Commission’s Los Angeles office, and adopt Cal Advocates’ proposed 20-month schedule.

Respectfully submitted,

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