FILED
06/09/26
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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service by $19,971,673 or 19.41% in 2027, by $10,876,890 or 8.91% in 2028, and by $10,831,656 or 8.15% in 2029.	Application 26-01-001

DIRECT TESTIMONY OF JORGE LOPEZ

January 2, 2026
Corrected May 12, 2026
Corrected June 5, 2026

Suburban Water Systems - CAPEX

Chart Guide

a. Boxes represent projects that were constructed or are scheduled to be constructed
b. Columns represent year that construction has or is scheduled to take place
c. Project boxes with same color as year are on GRC adopted schedule
d. Project Boxes with different color to year were rescheduled, added, or not adopted in GRC

Legend

- 2023 Adopted (D.24-12-030)
- 2024 Adopted (D.24-12-030)
- 2025 Adopted (D. 24-12-030)
- 2026 Request
- 2027 Request
- 2028 Request
- Authorized in previous GRC
- Permitting & Design for future year construction
- Requested & denied in GRC, completed prior to decision
- Adopted Advice Letter (D.24-12-030)
- Administrative & General (A&G) Shared Services

Footnotes

[1] Delay - equipment availability: supply chain and demand (Covid19, wildfires, storms)
[2] Delay due to balance CAPEX budget (not used)
[3] Need additional well to produce lowest cost owned CB rights
[4] Treatment upgrade to address arsenic levels that increased over MCL

[5] Constructed pipelines at rate requested in GRC
[6] Project spending at rate requested in GRC

[7] Project pulled forward a year to balance CAPEX budget

[8] Project delayed to balance CAPEX budget
[9] Delayed due to late GRC decision, CEQA permit & SRF loan application
[10] Magnitude of project will take multiple years to construct
[11] Planning, design, permitting take place a head of construction
[12] Not used
[13] Pipelines installed in '23-'25 exceed rate approved in GRC, zero in 2026 to balance

Note: All projects approved in GRC are shown on chart

	Total '23-'25	2023 (Actual)	2024 (Actual)	2025 (Forecast)	2026 (Request)	2027 (Request)	2028 (Request)
Projects	84.35	34.71	33.74	15.90	40.90	85.15	71.04
Advice Letter	12.44	2.44	5.15	4.84	4.45		
Water Rights	1.84	1.14	0.69				
A&G Shared Services				0.71	0.73	0.75	0.78
Subtotal Actual	**98.62**	**38.30**	**39.59**	**21.45**	**46.08**	**85.91**	**71.82**
Adopted	65.88	12.10	13.30	40.48			
Advice Letter	12.44	2.44	5.15	4.84	4.45		
Subtotal Adopted	**78.32**	**14.54**	**18.46**	**45.32**			
Over/(Under) Spent	**20.30**	**23.75**	**21.13**	**(23.87)**			

2023 (Actual)	2024 (Actual)	2025 (Forecast)	2026 (Request)	2027 (Request)	2028 (Request)
Plt 165 Generator 0.28	Plt 165 Generator 0.25	Plt 118 Electrical 0.02	Plt 118 Generator 0.02	A&G Shared Services 0.75	A&G Shared Services 0.78
Plt 506 Generator 0.38	Plt 506 Generator 0.11	Plt 158 Electrical 0.02	P121 Generator 0.85	Plt 201 PFAS Treat[10] 34.61	Plant 201 Gas Line 0.40
Plt 128 Tank 1.77	Plt 128 Tank Replace 4.79	Plt 140 Electrical 0.02	Plant 201 Generator 0.83	Recurring Projects 17.40	Safety Harness 0.59
Recurring Projects[6] 5.74	Plt 119 Generator 0.00040	Plt 118 Generator 0.13	Plat 140 Electrical 0.82	Pipelines (1%) 30.72	Sativa PFAS Treat 2.92
Pipelines (0.60%)[5] 15.45	Water Rights[12] 0.694	Plt 235 Generator 0.83	Plt 158 Electrical 0.80	Well Redevelopment 0.66	Stage Rd Pipe & Equip 5.34
Plt 409 Arsenic Treat[4] 0.52	Recurring Projects[6] 4.383	Plt 128 Electrical 2.55	Plt 118 Electrical 1.15	Blow projects 0.61	Recurring Projects 16.67
Stage Rd Test Well[3] 0.22	Pipelines[5] 11.485	Plt 119 Generator 0.55	A&G Shared Services 0.73	Plant 167 Road 0.82	Pipelines (1%) 29.98
Water Rights[12] 1.14	Stage Rd Prod Well[3] 3.29	Plt 504 Generator 0.51	Plt 201 PFAS Treat[9] 19.77	Bartolo Main Coupling 0.33	Well Redevelopment 0.68
Plt 109 Generator[1] 0.21	Blow Offs[7] 0.47	Plt 217 Slope Stability 0.21	SCADA Replace[8] 0.59	Recurring Projects 14.64	Blow projects 0.63
Plt 109 R2 Recoat[1] 0.13	Permitting & Design[11] 1.05	A&G Shared Services 0.71	Pipelines[13] 0.00	Well Redevelopment 0.63	Plt 216 Prod Well 3.61
Plt 413 Electrical[1] 0.07	Recurring Projects 8.62	Permitting & Design[11] 0.57	Well Redevelopment 0.63	Plt 121 Electrical 0.76	Plt 109 R-3 Recoat 1.22
Plt 236 Generator[1] 0.04	Pipelines 4.45	Sativa Land Purchase 0.71	Plt 121 Electrical 0.76	Blow off replace 0.59	Plt 115 R-1 Recoat 0.20
Permitting & Design[11] 0.25		Whit Blvd Relo (Gov) 0.84	Blow off replace 0.59	Sativa Manganese Treat 3.93	AMI Infrastructure 1.67
Recurring Projects 6.82		Recurring Projects 6.80	Sativa Manganese Treat 3.93		Sativa Tank & PS 3.74
Pipelines (adopted) 4.85		Pipelines 2.31			Sativa Pipeline 3.37
Paulsen Pipe (Sativa) 0.41		Plt 162-R1 Tank Rehab 0.26			
		Valve Replace Backlog 1.28			
		Blow off replace 0.20			
		Plt 408-R3 Tank Recoat 0.46			
		Plt 201 PFAS Treat 0.67			
		Well Re-development 0.41			
		SCADA Upgrades 0.26			
		Plt 409-R1 Recoat 0.33			
		Plt 216 Well 0.79			

On December 2023, 2024 the decision 24-12-030 adopted $4.851M for 2023, and $4.445M for 2024; these amounts are far lower than the amounts Suburban had spent constructing pipelines in 2023 and 2024 prior to the adoption of the decision.

Q11 Did Suburban purchase water rights to minimize water costs to customers that were not adopted in GRC decision 24-12-030?

A11 Yes, Suburban purchased water rights in 2023 and 2024 when they became available before the December 23, 2024 decision that denied their inclusion in Suburban's rate base. These rights would have provided Suburban's customers with more access to the lowest cost, most reliable and lowest greenhouse gas emitting water source. ~~Since they have been denied Suburban is selling these water rights.~~

Q12 Did Suburban construct a production well in the Central Basin to maximize production of owned water rights to minimize water costs to customers that was not adopted in GRC decision 24-12-030?

A12 Yes. In past GRC's Cal Advocates chided Suburban for not having production capacity to produce all the Central Basin groundwater rights that it owns. Suburban responded by including a project to construct a new Central Basin well in its rate case application filed on 1/3/2023. Well construction was completed in December 2024 ahead of 12/23/24, when Decision 24-12-030 was adopted, denying the project. Customers benefit from this project, however, because water produced from the Central Basin is the lowest cost, is the most reliable, and has lower greenhouse gas emissions than alternate water imported from Northern California and the Colorado River.

Q13 Why is Permitting and Design required every year?

A13 Project permitting and design timelines must be staggered to ensure we always design at least one year before construction because we cannot complete all designs in one year. This approach allows sufficient time for all preparatory activities before a project breaks

Project Name	CWIP Amount	GRC Request Amount	Construction Year
Plant 429 Well Piping and Equipping	257,215	5,441,956	2028
Plant 201 Gas Line	86,936	400,000	2028
Plant 201 PFAS Treatment	2,232,813	~~50,000,000~~ 34,638,934	2026/2027/2028
SCADA Replacement	403,848	700,000	2026
AMI Infrastructure	104,000	2,973,831	2026
Sativa Manganese Treatment Plant	69,980	3,924,000	2026
Plant 804 Treatment Plant	55,000	2,043,407	2028
Sativa Pipeline Phase 2	21,725	4,300,000	2028

These prudent projects are requested in this GRC application detailing the need for the commission's approval.

IV. DECISION 24-12-030 PROJECT CHANGES

Projects Completed After Rate Case Period and Prior to GRC Decision.

Q22 In the previous section, you identified projects from the prior (2020) GRC application 20-03-001 for the period 2020, 2021, and 2022, that that were completed in 2023. Please discuss those projects and the factors that contributed to the delay.

A22 Below are the list of projects from GRC application 20-003-001 for the period 2020, 2021, and 2022 that were constructed and completed in 2023, including a discussion of the factors that contributed to its delay.

Plant 109 and 236 Generators

In GRC application 20-03-001 Suburban requested generators to provide backup power for critical facilities that serve areas prone to fires and were subject to power outages due to Southern California Edison (SCE) conducting Public Safety Power Shutoff (PSPS) during high fire risk weather events. Suburban needs generators to provide customers with reliable water supply for consumption and fire protection during extended power outages. Suburban's facilities were not designed for extended power outages such as these. The following sections provide an overview of the threats to our customers.