

Docket		<u>A.25-01-001</u>
Exhibit Number	:	<u>Cal Adv-02</u>
Commissioner	:	<u>Darcie Houck</u>
Administrative Law Judge	:	<u>Minh LeQuang</u>
Public Advocates Office	:	<u>Andrew Sweeney</u>
Witness(es)	:	



PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

REPORT ON
SALES, REVENUES AND RATE DESIGN

A.25-01-001
(San Gabriel Valley Water Company)

Los Angeles, California
July 25, 2025

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CHAPTER 1 SALES AND REVENUES

I. INTRODUCTION

For a given Test Year (TY), forecasting customer counts by customer class and average sales per customer for each customer class is necessary to forecast estimated sales, revenues at present rates, and rate design. The customer forecast multiplied by the average sales per customer forecast for each class yields the total sales forecast for each customer class. This chapter presents the California Public Utilities Division (Cal Advocates) analysis and recommendations of San Gabriel Valley Water Company's (SGVWC) TY 2026-27 sales forecast for the Los Angeles (LA) and Fontana (FWC) divisions.

II. SUMMARY OF RECOMMENDATIONS

The Commission should:

- Adopt SGVWC's forecast for the number of customers because it is reasonable, and it follows the Revised Rate Case Plan (D.07-05-062) methodology.¹
- Adopt Cal Advocate's forecasts, as shown in Tables 1-1 and 1-2, for TY 2026-27 sales per customer, as they better reflect recent trends and account for the impacts of the drought and the pandemic.

¹ D.07-05-062, *Opinion Adopting Revised Rate Case Plan for Class A Water*, Appendix A, Footnote 4 at A-23.

Table 1-1: LA Division TY 2026-27 Ccf/Customer/Year²

Customer Class	Cal Advocates Recommended ³	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	124	124	0
Residential – Multi Family	637	627	(10)

Table 1-2: FWC Division TY 2026-27 Ccf/Customer/Year⁴

Customer Class ⁵	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	144	143	(1)
Residential – Multi Family	1,205	1,181	(24)

- 1 • Adopt the TY 2026-27 sales forecasts for each customer class summarized
2 in Tables 1-3 and 1-4 below, which Cal Advocates bases on the forecasted
3 number of customers and average sales per customer.

**Table 1-3: LA Division TY 2026-27 Residential Sales
(Cal Advocates Ccf/customer regression)^{6 7}**

Customer Class	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	5,093,815	5,080,342	(13,473)
Residential – Multi Family	2,091,172	2,059,382	(31,791)

² Only the customer classes with numbers modified are shown in the body of this testimony. The full graphs, with all customers classes shown are in Attachment 1-2: Section 1 Full Graphs.

³ A.25-01-001, *Application of SAN GABRIEL VALLEY WATER COMPANY (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$14,442,200 or 13.8% in July 2026, \$4,651,400 or 3.8% in July 2027, and \$4,931,600 or 4.0% in July 2028, and in its Fontana Water Company division by \$12,442,000 or 12.7% in July 2026, \$4,484,300 or 3.9% in July 2027, and \$4,526,300 or 3.9% in July 2028, and related relief.* If the GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV1", Single Family Cell P36, Q36, U36; Multi Family Cell P37, Q37, U37.

⁴ Attachment 1-2: Section 1 Full Graphs

⁵ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV1", Single Family Cell P163, Q163, U163; Multi Family Cell P164, Q164, U164.

⁶ Attachment 1-2: Section 1 Full Graphs

⁷ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV1", Single Family Cell P74, Q74, U74; Multi Family Cell P75, Q75, U75.

**Table 1-4: FWC Division TY 2026-27 Residential Sales
(Cal Advocates Ccf/customer regression)^{8 2}**

Customer Class¹⁰	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	6,163,848	6,121,044	(42,804)
Residential – Multi Family	1,360,808	1,333,940	(26,868)

III. ANALYSIS

A. Number of Customers

SGVWC follows the Commission’s Revised Rate Case Plan (RCP) methodology to develop its forecast for the number of customers, except for the Construction and Recycled Water classes.¹¹

For most customer classes, SGVWC forecasts its customer growth using the 2020-2024 average annual growth rate and bases its forecasted TY 2026-27 customer counts on the average of the 2026 and 2027 figures. SGVWC accounted for 1,650 additional customers resulting from the 2023 acquisition of the City of Montebello.

SGVWC bases its forecasted number of Construction class customers in both divisions on the average number of Construction class customers served in the 2020-2024 period. SGVWC expects additional FWC division customers to convert to recycled water service in 2025, 2026, and 2027; therefore, it bases its forecast on an adjusted 2024 number.

SGVWC’s 100-day Update incorporated six additional months of data (July 2024 - December 2024) to forecast the number of customers. Therefore, the Commission

⁸ Attachment 1-2: Section 1 Full Graphs

² A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV1", Single Family Cell P199, Q199, U199; Multi Family Cell P200, Q200, U200.

¹⁰ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV1", Single Family Cell P199, Q199, U199; Multi Family Cell P200, Q200, U200.

¹¹ D.07-05-062, Appendix A, Footnote 4 at A-23.

1 should adopt SGVWC's forecast in its 100-day Update, as shown in Table 1-5 below,
 2 because it includes the most recent customer data.

Table 1-5: 100-Day Update: Number of Customers^{12 13}

Customer Class (LA Division)	SGVWC Initial	SGVWC 100-Day	Difference
Residential - Single Family	40,971	41,048	77
Residential – Multi Family	3,285	3,278	-7
Commercial	5,183	5,158	-25
Public Authority	415	419	4
Private Fire Service	1,475	1,489	14
Total	51,460	51,524	64
Customer Class (FWC Division)	SGVWC Initial	SGVWC 100-Day	Difference
Residential - Single Family	42,805	42,769	(36)
Residential – Multi Family	1,130	1,135	6
Commercial	2,933	2,954	22
Industrial	66	61	(5)
Public Authority	677	675	(3)
Construction	94	88	(6)
Private Fire Service	1,336	1,362	26
Recycled Contract - City & School Dist.	35	36	1
Total	49,090	49,096	5

B. Average Sales per Customer (Residential)

3 Cal Advocates' average sales per customer numbers, as shown in Table 1-6 below,
 4 more accurately reflect recent sales trends, as they do not exclude the June 2015-April
 5 2017 and July 2022-June 2023 drought periods.
 6

¹² Note that Cal Advocates is only showing the customer classes with updated numbers here.

¹³ See Attachment 1-2: Section 1 Full Graphs.

Table 1-6: Annual Sales, Ccf per Customer (Residential)

Customer Class¹⁴	Cal Advocates	SGVWC	SGVWC > Cal Advocates
Residential-Single Family (LA division)	124	124	0
Residential-Multi Family (LA division)	637	627	(10)
Residential-Single Family (FWC division)	144	143	(1)
Residential-Multi Family (FWC division)	1,205	1,181	(24)

SGVWC estimates its average sales per customer for its Residential Single-Family and Residential Multi-Family classes with an econometric multiple regression analysis, a modification of the RRCP-specified “New Committee Method” (NCM), which considers multiple historical, current, and anticipated service area factors.^{15 16} In each regression, the dependent variable is unit consumption (100 cubic feet or “Ccf” per customer), and the independent variables are time (coded month), precipitation, and temperature (both 10-year averages for the relevant month).¹⁷

The Commission's updated guidelines specifically state that forecasted future per capita water sales should account for drought year data to reflect the reality that drought is the new normal in California.^{18 19 20} These guidelines preclude the use of SGVWC’s Regression 2, which removes 35 months' worth of sales data from the two periods with

¹⁴ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV1", LA Single Family Cell U36, LA Multi Family Cell U37, FWC Single Family Cell U163, FWC Multi Family Cell U164.

¹⁵ Attachment 1-3: SGVWC’s Response to Cal Advocates Data Request ASW-002 Q2 - Attachment 2, tab “A. LA County”. Updated to January 2015 through December 2024.

¹⁶ D.07-05-062, Appendix A, Footnote 8 at A-26.

¹⁷ SGVWC Exhibit SG-4 (Reiker) at 12 (PDF 15).

¹⁸ Updated to Jan 2015 through Dec 2024 in DR ASW-004 Attachment 2

¹⁹ D.20-08-047, *Order Instituting Rulemaking Evaluating the Commission’s 2010 Water Action Plan Objective of Achieving Consistency between Class A Water Utilities’ Low-Income Rate Assistance Programs, Providing Rate Assistance to All Low-Income Customers of Investor-Owned Water Utilities, and Affordability*, at 18.

²⁰ Attachment 1-4: EXECUTIVE ORDER N-3-24

1 enforced drought sales restrictions, June 2015 through April 2017 and July 2022 through
2 June 2023, where the utility recorded lost sales.^{21 22} 35 months of additional historical
3 sales data (August 2011-June 2014) replaced the drought month data in SGVWC's
4 estimated future water consumption estimate.^{23 24} None of the utility's additional
5 regressions, which included different statistical methodologies to remove or otherwise
6 account for the effect of these declared drought emergencies, accounted for the effect on
7 sales during the COVID-19 years.

8 Cal Advocates' final regression, based on SGVWC's Regression 1, includes data
9 from the second half of 2024 and the 35 drought months and does not include the
10 explanatory variables related to the drought months. The impacts of COVID-19 sales are
11 unlikely to be repeated, so Cal Advocates excluded the data from April 2020 to February
12 2023.²⁵ Applying this methodology to the Single-Family Residential class results in
13 annual forecasts of 124 Ccf and 144 Ccf for the LA and FWC divisions, respectively. The
14 Multi-Family Residential class yields forecasts of 637 Ccf and 1,205 Ccf for the LA and
15 FWC divisions, respectively.

16 **C. Average Sales per Customer (Non-Residential)**

17 To forecast the average sales per customer in its LA and FWC divisions, for most
18 of its Non-Residential customer classes, SGVWC relies on a five-year (2020-2024)

²¹ D.04-06-018, *Order Instituting Rulemaking on the Commission's Own Motion to Evaluate Existing Practices and Policies for Processing General Rate Cases and to Revise the General Rate Case Plan for Class A Water Companies*, Appendix A, at 6-7. D.04-06-018 adopted the NCM for forecasting water consumption per customer. The NCM is a regression model that requires monthly sales data for 10 years, the 30-year average for forecasted values of temperature and rainfall, and the removal of historical data from periods when water use restrictions (e.g., rationing) were imposed.

²² Resolution W-4976 authorized SGVWC to establish the Drought Lost Revenue Memorandum Account (DLRMA) to track lost revenue from drought-related conservation efforts in a memorandum account, effective June 1, 2015.

²³ SGVWC Exhibit SG-4 (Reiker), at 12 (PDF 15).

²⁴ D.20-08-047 at 50 (PDF 52).

²⁵ When Governor Newsom's COVID-19 state of emergency was in progress.

average of its number of customers and average sales.^{26 27} In the FWC division, SGVWC relies upon its current adopted forecast, the sales forecast developed in its last GRC for the “Recycled Contract - California Steel Ind.” and “Recycled Water – Tariff” customer classes.²⁸ Cal Advocates does not oppose this methodology.

D. Unmetered and Unaccounted for Water

"Unmetered and unaccounted for" water refers to the discrepancy between water sales and water production. It includes unmetered water delivered for private fire service, water provided for public fire hydrants, water used in flushing service mains and hydrants, water lost due to leakage from mains and services, measurement errors, billing adjustments, "process" water used at treatment facilities, and timing differences between meter reads at the source of supply and meter reads for customer billing purposes.

Estimating the quantity of "unmetered and unaccounted for" water is vital because SGVWC bases its operating expenses for water, power, and chemicals on the total water produced annually. Cal Advocates does not oppose SGVWC's method of setting its TY and Escalation Year predictions for unmetered and unaccounted-for water percentages with a 2020-2024 average.

SGVWC adds 629,335 Ccf of "unmetered and unaccounted for water," for the LA division and 1,117,674 for the FWC division to its sales forecast to arrive at the forecasted production quantity necessary to meet its demand.^{29 30} SGVWC calculates

²⁶ SGVWC Exhibit SG-4 at 14.

²⁷ Commercial, Industrial, Public Authority, City of Montebello-Contract (defunct), Construction, Private Fire Service, Recycled Contract – Munoz Nursery, Recycled Contract – Grant Rea Park, Recycled Contract – Whittier Narrows, Recycled Contract – W.N Golf Course, Recycled Contract – Tariff.

²⁸ SGVWC Exhibit SG-4 (Reiker), at 14 (PDF 17), 22-24. The current adopted forecast is the sales forecast developed in SGVWC’s last GRC.

²⁹ These are Cal Advocates’ numbers; SGVWC’s numbers are 626,972 LA and 1,112,108 FWC.

³⁰ SGVWC requests $1,739,080 = 626,972 \text{ (LA)} + 1,112,108 \text{ (FWC)}$; see A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV1", Cells U101 (LA) and U230 (FWC). The Cal Advocates RO model yields $1,747,009 = 629,335 \text{ (LA)} + 1,117,674 \text{ (FWC)}$; see Cal Advocates’ RO Model, tab RV1, Cells U101 (LA) and U230 (FWC).

1 these numbers by subtracting the average of its 2026 and 2027 water sales from the
2 average total water production. This results in unmetered and unaccounted-for water
3 percentages of 5.0% and 7.4% for the LA division and FWC division, respectively.³¹ This
4 is in line with California's 7.02% average water loss percentage and the 7% specified in
5 the CPUC's RCP.^{32 33}

6 **E. Other Revenues**

7 SGVWC forecasts \$11,192,197 for the LA division and \$855,316 for the FWC
8 division for "other revenues" (accounts 611, 612, and 614) using an inflation-adjusted
9 2020-2024 average of recorded other revenue.³⁴ These "other revenues" recorded in these
10 accounts represent income generated by SGVWC that is not directly tied to the provision
11 of basic utility services. "Other Revenues" reduce the proportion of total revenue
12 requirement that SGVWC must recover through ratepayer bills. The non-tariffed products
13 and services expenses recorded in these accounts related to a portion of Montebello's
14 service and repair costs, and the 2023 purchase of the Montebello Water System
15 eliminated these expenses.^{35 36 37}

³¹ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV1", Cells U102 (LA) and U231 (FWC).

³² 1-5: REPORT ON THE EVALUATION OF 2016 VALIDATED WATER AUDIT DATA OF CALIFORNIA WATER UTILITIES, Table 4 Potentially Recoverable Real Losses in California Utilities State-wide. at 7 (PDF 8).

³³ D.07-05-062, Attachment 1 (MDR) Section II, E, 4. "If unaccounted water is more than approximately 7% for each district or service area, submit a plan to reduce unaccounted water to a specific amount."

³⁴ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV2", Cells Y342 (LA) and Y719 (FWC).

³⁵ Attachment 1-6: DR ASW-003 (NTP&S) Request 1.

³⁶ Attachment 1-7: <https://www.sgvwater.com/former-customers-of-the-city-of-montebello/> (6/6/2025).

³⁷ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV2", Lines 337 and 338.

1 **1. Miscellaneous Revenue (Account 611)**

2 SGVWC forecasts \$104,319 for the LA division and \$410,984 for the FWC
3 division in Miscellaneous Service Revenues, which consist primarily of reconnection fees
4 collected from customers, based on a 2020-2024 average.³⁸ Cal Advocates does not
5 oppose this request.

6 **2. Rent from Water Property (Accounts 612)**

7 SGVWC forecasts \$0 for the LA division and \$778 for the FWC division for
8 “Rent from Utility Property” for TY 2026-27, using an inflation-adjusted 2020-2024
9 average, after recording \$670 in its Account 612 for the 2020-2024 period.³⁹ Cal
10 Advocates does not oppose this request.

11 **3. Other Water Revenues (Account 614)**

12 SGVWC forecasts \$11,087,878 for the LA division and \$443,554 for the FWC
13 division for Account 614, using a non-labor escalated, recorded 2020-2024 average.^{40 41}
14 Account 614 primarily records reimbursements for operating expenses received from
15 third parties found to be responsible for groundwater pollution. The expenses from the
16 City of Montebello are not carried forward into TY 2026-27 as the contractual services
17 ended in early February 2023.⁴² The O&M W6 grant, set to end in March 2026, is not
18 carried forward into the TY 2026-27 revenues.⁴³

³⁸ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RV2", Lines 332 and 716.

³⁹ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV2", Lines 333 and 717.

⁴⁰ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV2", Lines 335-340 and 718.

⁴¹ (L.A.) + (FWC) = \$11,078,878 + \$443,554 = \$11,531,432 in total.

⁴² Attachment 1-7: <https://www.sgvwater.com/former-customers-of-the-city-of-montebello/> (6/6/2025).

⁴³ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RV2", Line 336.

SGVWC presents the "Groundwater Treatment Plant Cost Recoveries" given in the RO model on a cash rather than an accrual basis. This discrepancy has led to a timing difference between SG-5 ATTACHMENT M and the general ledger as invoices billed in one year are often not collected until the following year.⁴⁴ ⁴⁵ For example, \$765,636 was subtracted from SGVWC's 2022 treatment plant expenses to account for the 2021 invoices being paid that year, while \$1,698,666 was added to account for the current year expenses payable next year.⁴⁶ Combined with omission errors with groups of invoices not included in the yearly totals in SG-5 ATTACHMENT M led to discrepancies between the attachment and the RO model. Moving forward, SGVWC will revise SG-5 ATTACHMENT M to reflect accrual basis accounting, making it easier to reconcile with the RO model and the general ledger. Following this reconciliation, Cal Advocates does not oppose this request for Account 614.

IV. CONCLUSION

SGVWC's water consumption forecasting methodology does not accurately reflect the reality that drought is the new normal in California, nor does it account for the effects of the COVID-19 pandemic. Therefore, the Commission should:

- Adopt monthly per capita water sales forecasts of 124 for the LA division and 144 for the FWC division for the Single-Family Residential class for TY 2026-27 to reflect the Commission's updated guidelines.
- Adopt a TY 2026-27 monthly per capita water sales forecast of 637 for the LA division and 1,205 for the FWC division for the Multi-Family Residential Class to account for the effects of recent drought years and remove the effects of the COVID-19 pandemic.

⁴⁴ Attachment 1-8: DR ASW-006 Attachment 1.

⁴⁵ Attachment 1-9: DR ASW-006, Response 1.

⁴⁶ Attachment 1-8: DR ASW-006 Attachment 1, Lines 7, 8.

LIST OF ATTACHMENTS FOR CHAPTER 1

#	Attachment #	Description
1	1-1	Qualifications of Witness – Andrew Sweeney
2	1-2	Section 1 Full Graphs
3	1-3	DR ASW-002 Attachment 2, LA Division, FWC Division
4	1-4	EXECUTIVE ORDER N-3-24
5	1-5	Report on the Evaluation of 2016 Validated Water Audit Data of California Water Utilities, Table 4 Potentially Recoverable Real Losses in California Utilities State-wide, p. 7
6	1-6	DR ASW-003 (NTP&S) Request 1
7	1-7	https://www.sgvwater.com/former-customers-of-the-city-of-montebello/ (6/6/2025).
8	1-8	DR ASW-006 Response 1, Attachment 1
9	1-9	DR ASW-006: Response 1.
10	2-1	Cal. Water Code § 10609.4(a). https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/
11	2-2	ASW-002 Attachment 3. Q.2
12	2-3	ASW-002 Attachment 1.a1
13	2-4	ASW-002 Attachment 1.a2.
14	2-5	SGVWC Exhibit SG-4 (Reiker) Attachment K
15	2-6	SGVWC Exhibit SG-4 (Reiker) Attachment J
16	2-7	American Water Rates, https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design (5/30/2025)
17	2-8	DR ASW-007 Response 1
18	2-9	SGVWC Website, https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap/ (5/16/2025)
19	2-10	SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.
20	2-11	2025 MWR Increase Memo 1-31-2025

CHAPTER 2 RATE DESIGN

I. INTRODUCTION

This chapter presents Cal Advocates' analysis and recommendations for SGVWC's TY 2026-2027 rate design and Customer Assistance Program (CAP). Rate design is the process of determining the specific rate structure through which a utility will recover its revenue requirement (budget) from ratepayers. Rate design involves setting the structure and pricing of water rates to ensure SGVWC collects the revenue necessary to meet its authorized budget while distributing costs fairly among different ratepayer classes, types, and levels of service. Rate design must maintain revenue neutrality; otherwise, the revenue SGVWC estimates collecting will differ from the revenue requirement.

SGVWC's rate design involves determining the revenue requirement, allocating revenue recovery between fixed and quantity charges (revenue allocation), finding tier breakpoints for metered services, and establishing a tiered quantity rate structure for each tier breakpoint. Effective rate design encourages conservation, offers affordable options for baseline water use, reduces the number of hours an average ratepayer must work to pay their bill, and helps ensure recovery of the revenue requirement.⁴⁷

II. SUMMARY OF RECOMMENDATIONS

The Commission should.

- Maintain the 64.6%/35.4% revenue split between fixed and quantity charges allocated for the LA division and the 70%/30% revenue split allocated for the FWC division.
- Reduce the LA division tier 1 and tier 2 breakpoints to 8 and 18 Ccf.
- Reduce the FWC division tier 1 and tier 2 breakpoints to 9 and 22 Ccf.
- Set each division's tier 2 rate to the Standard Quantity Rate (SQR).

⁴⁷ D.20-08-047 at 106.

- Set each division's tier 1 rate to 10% below the SQR and use the tier 3 rate as a plug to maintain the revenue requirement.
- Set the CAP discount to \$10.53 for the LA division and \$10.88 for the FWC division.^{48 49}
- Maintain the current CAP surcharge for non-CAP customers.⁵⁰

Table 2-1 shows SGVWC's and Cal Advocates' customer bill recommendations.

Table 2-1: Average Bill Analysis

	LA	Division			FWC	Division	
Service and Quantity Charges	Cal Advocates Proposed	SGVWC Proposed	Difference		Cal Advocates Proposed	SGVWC Proposed	Difference
Service Charge ⁵¹	\$30.58	\$34.67	\$(4.09)		\$22.99	\$25.16	\$(2.17)
Tier 1 ⁵²	\$4.34/Ccf	\$5.13/Ccf	\$(0.79)/Ccf		\$4.45/Ccf	\$5.04/Ccf	\$(0.59)/Ccf
Tier 2	\$4.82/Ccf	\$5.90/Ccf	\$(1.08)/Ccf		\$4.94/Ccf	\$5.80/Ccf	\$(0.86)/Ccf
Tier 3	\$7.77/Ccf	\$7.68/Ccf	\$0.11/Ccf		\$7.73/Ccf	\$7.54/Ccf	\$0.19/Ccf
Average Bill (5 Ccf) ⁵³	\$53.75	\$62.05	\$(8.30)		\$46.83	\$52.17	\$(5.34)
Average Bill (10 Ccf)	\$77.89	\$89.43	\$(11.54)		\$71.16	\$79.18	\$(8.02)
Average Bill (25 Ccf)	\$175.26	\$191.98	\$(16.72)		\$158.46	\$172.54	\$(14.08)

⁴⁸ The subsidy amount may change depending on the final adopted revenue requirement.

⁴⁹ Using the updated numbers of CAP customers as of 1/1/2025 (LA: 21,632, FWC:25,073).

⁵⁰ The surcharge amount may change depending on the final adopted revenue requirement. Screw up.

⁵¹ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION), Tab "RD1", LA Cells G81, G105, G106, G107; FWC Cells G206, G227, G228, G229.

⁵² A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "RD1", LA Cells G105, G106, G107; FWC Cells G227, G228, G229.

⁵³ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FO PRODUCTION).xlsx, Tab "Tables3", LA Cells I75, I76, I79; FWC Cells I315, I316, I319.

1 **III. ANALYSIS**

2 **A. Revenue Recovery through Quantity Charge and Meter**
3 **(Fixed) Charge**

4 SGVWC requests a 64.6%/35.4% revenue split between fixed and quantity
5 charges for the LA division and a 70%/30% revenue split for the FWC division. The
6 Commission has previously approved this split, and Cal Advocates does not oppose this
7 request.

8 **B. Standard Quantity Rate**

9 The SQR is the cost per Ccf required to maintain revenue neutrality if the utility
10 sold every Ccf at a uniform rate, the revenue forecast under the current rate design
11 divided by the proposed TY2026-2027 residential sales forecast.⁵⁴ Applying this
12 methodology to Cal Advocates recommended revenue requirement gives SQRs of
13 \$4.8244/Ccf for the LA division and \$4.9440/Ccf for the FWC division.^{55 56} SQR forms
14 the basis of all three tiered rates, with Tier 2 rates set above the SQR, tier 1 rates set
15 below, and tier 3 rates set significantly above. Cal Advocates recommends setting the tier
16 2 rate directly to the SQR, tier 1 set at 10% below the SQR, and tier 3 used as a plug to
17 maintain revenue neutrality.

18 **C. Tier Break Points and Tier Rates**

19 **1. Residential Tier Breakpoints (Rate Ratio)**

20 A three-tiered rate structure charges ratepayers different amounts per Ccf for
21 different tiers of consumption. Tier 1 rates are lower to promote affordability, while tier 3
22 rates are higher to encourage conservation.

⁵⁴ Revenue neutrality refers to a principle in utility ratemaking where changes in rate design or structure do not alter the total revenue collected by the utility. In other words, the utility continues to collect the same amount of revenue (equal to the authorized revenue requirement), even if the rates charged to different customer classes, types of service, or consumption levels are adjusted.

⁵⁵ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION-CORRECTED FOR PRODUCTION).xlsx, Tab "RD1", LA Cell G104; FWC Cell G226.

⁵⁶ Applying the same SQR methodology to SGVWC's proposed rates, the SQR is \$5.4996/Ccf for LA and \$5.4408/Ccf for FWC.

1 Cal Advocates recommends setting SGVWC's tier 1 and tier 2 monthly residential
2 single-family usage breakpoints at 8 Ccf and 18 Ccf for the LA division, and at 9 Ccf and
3 22 Ccf for the FWC division, respectively, in recognition of updated regulations and the
4 decline in average monthly single-family residential usage. The designations of the three
5 tiers should reflect the water's intended usage.⁵⁷

6 SGVWC states that its current tier breakpoints follow California Water Code §
7 10609.4(a), which established a 55-gallon per day per capita standard for necessary
8 indoor residential water usage.^{58 59 60} Based on the standard of two Ccf per person per
9 month, SGVWC's proposed tier 1 TY 2026-27 breakpoints, 10 Ccf in LA division and 11
10 Ccf in FWC division, would allow for household members of 5 and 5.5 respectively.⁶¹
11 However, the LA division averages four people per household, and FWC division
12 averages 4.3 members, providing support for setting the tier 1 breakpoints to 8 Ccf for the
13 LA division and 9 Ccf for the FWC division.⁶²

14 The winter median monthly usage per customer, a metric SGVWC has used in
15 previous GRCs to set its tier 1 breakpoint, also supports Cal Advocates' numbers.^{63 64} The
16 2014-2023 winter median monthly usage per Residential Single Family customer
17 averaged 8 Ccf in the LA division and 9 Ccf in the FWC division, and those numbers

⁵⁷ Tier 1: Monthly Indoor Water Use Allocation, tier 2: Monthly Reasonable Discretionary Water Use Allocation, tier 3: Excessive Discretionary Water Use.

⁵⁸ D.20-08-047, at 77 (PDF 79). $[(6 \text{ Ccf} \times 748.052 \text{ Gals/Ccf}) \div 30 \text{ Days}] \div 55 \text{ Gals/Person} = 2.72 \text{ persons per household (rounded to 3). } 6 \text{ Ccf/household} \div 3 \text{ persons/household} = 2 \text{ Ccf per person.}$

⁵⁹ See Attachment 2-1: Cal. Water Code § 10609.4(a). <https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/>

⁶⁰ If reduced to 47 gallons/person/day, as Cal. Water Code § 10609.4(a). states it will be.

$[(6 \text{ Ccf} \times 748.052 \text{ Gals/Ccf}) \div 30 \text{ Days}] \div 47 \text{ Gals/Person} = 3.18 \text{ persons per household equivalent.}$

⁶¹ Direct testimony of Joel Reiker, SGVWC Exhibit SG-4, at 52 (PDF 55), ln 7-9.

⁶² See Attachment 2-2: ASW-002 (Q3) Attachment 3 Q2.

⁶³ D.10-04-031, *Decision Authorizing Changes in Rate Design and Ratesetting Mechanisms, and Denying Motion for Establishment of a Memorandum Account* at 28.

⁶⁴ Direct testimony of Joel Reiker, SGVWC Exhibit SG-4, at 51 (PDF 54).

1 drop to 7.67 and 8.67, respectively, using an updated 2015-2024 average.^{65 66 67} Adding
2 in the positive standard deviation only increases the winter median consumption to 8.17
3 for the LA division and 9.17 for the FWC division, very similar to Cal Advocates'
4 recommended tier 1 breakpoints. Cal Advocates proposes setting tier 2 breakpoints at 18
5 Ccf for the LA division and 22 Ccf for the FWC division. Tier 3 rates will cover any
6 usage above this amount and follow the principle that 10% of SGVWC's consumption
7 should occur in the third tier.^{68 69}

8 SGVWC's tier 1 breakpoints for single-family residential water usage are
9 substantially higher than those of other Class-A utilities. San Jose Water has a tier 1
10 breakpoint of 6 Ccf, and California-American Water has 4 Ccf for tier 1.^{70 71}
11 Furthermore, Liberty (Apple Valley Water) and Liberty (Park Water), who provide water
12 service in a similar geographical area as SGVWC's, have their tier 1 rates set at the
13 Commission standard of 6 Ccf.^{72 73} For tier 2 the breakpoints are 12 Ccf for San Jose
14 Water and 8 Ccf for California-American water.^{74 75} Despite this, SGVWC plans to

⁶⁵ 7.3 and 8.5 Ccf for the LA division and the FWC division based on a 2020-2024 average.

⁶⁶ Attachment 2-3: SGVWC's Response to Cal Advocates Data Request ASW-002 Q1a - Attachment 1.a12, tab "Median Analysis."

⁶⁷ Attachment 2-4: SGVWC's Response to Cal Advocates Data Request ASW-002 Q1a - Attachment 1.a.2, tab "Median".

⁶⁸ D.24-03-005, *Decision Approving Settlement and Authorizing Revenue Requirements for the San Gabriel Valley Water Company* at 43.

⁶⁹ See Attachment 2-5: SGVWC Exhibit SG-4 (Reiker) Attachment K.

⁷⁰ A.24-01-001, Exhibit F, CH-07D, WP7-35D Tiered Rates. If

⁷¹ See Attachment 2-7: California-American Water Rates <https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design> (Accessed 5/30/2025).

⁷² R.18-07-006, *Affordability Metrics Framework Staff Proposal* at 19.

⁷³ D.20-07-032, *Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service* at 22.

⁷⁴ A.24-01-001, *In the Matter of the Application of SAN JOSE WATER COMPANY (U 168 W) for an Order authorizing it to increase rates charged for water service by \$55,196,000 or 11.11% in 2025, by \$22,041,000 or 3.99% in 2026, and by \$25,809,000 or 4.49% in 2027. Exhibit F, CH-07D, WP7-35D Tiered Rates.*

⁷⁵ See Attachment 2-7: California-American Water Rates <https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design>

1 maintain its current tiered usage breakpoints: 10 Ccf for tier 1 and 20 Ccf for tier 2 in the
2 LA division, 11 Ccf and 24 Ccf for tiers 1 and 2, respectively in the FWC division.⁷⁶
3 Table 2-2 below shows the impact of Cal Advocates' proposed tier breakpoints versus
4 SGVWC's proposed figures on an average ratepayer's bill, the bill of a low-use
5 residential customer, and the bill of a high water user.⁷⁷ The "Cal Advocates Proposed
6 (Tier Breakpoints)" column reflecting the effects from only adjusting the tier breakpoints,
7 the "Cal Advocates Proposed (All Changes)" column reflects incorporating all of Cal
8 Advocates' recommended changes to other areas of expenses (A&G expenses, plant
9 expenses etc.).

[Service-Billing/Water-Rates/rate-design](#) (Accessed 5/30/2025).

⁷⁶ Direct testimony of Joel Reiker, SGVWC Exhibit SG-4, at 51 (PDF 54).

⁷⁷ Low use is defined here as 5 Ccf/month, average use as 10 Ccf/month for the LA division and 12 Ccf/month for the FWC division, and high use as 25 Ccf/month.

Table 2-2: Average Bill Analysis (Tier Break Point and All Changes)

Service and Quantity Charges	Current Charge	Cal Advocates Proposed (Tier Breakpoints)	Cal Advocates Proposed (All Changes)	SGVWC Proposed
Service Charge (LA division)	\$28.92	\$34.67	\$30.58	\$34.67
Tier 1	\$4.56/Ccf	\$4.95/Ccf	\$4.34/Ccf	\$5.13/Ccf
Tier 2	\$5.21/Ccf	\$5.50/Ccf	\$4.82/Ccf	\$5.91/Ccf
Tier 3	\$6.71/Ccf	\$8.86/Ccf	\$7.77/Ccf	\$7.68/Ccf
Total Bill (5 Ccf) ⁷⁸	\$53.21	\$61.07	\$53.75	\$62.05
Change from current		14.77%	1.01%	16.61%
Total Bill (10 Ccf) ⁷⁹	\$77.50	\$88.57	\$77.89	\$89.43
Change from current		14.28%	0.5%	15.39%
Total Bill (25 Ccf) ⁸⁰	\$167.64	\$199.54	\$175.26	\$191.98
Change from current		19.03%	4.55%	14.52%
Service Charge (FWC division)	\$21.68	\$25.16	\$22.99	\$25.16
Tier 1	\$4.50/Ccf	\$4.90/Ccf	\$4.45/Ccf	\$5.04/Ccf
Tier 2	\$5.16/Ccf	\$5.44/Ccf	\$4.94/Ccf	\$5.80/Ccf
Tier 3	\$6.66/Ccf	\$8.51/Ccf	\$7.73/Ccf	\$7.54/Ccf
Total Bill (5 Ccf)	\$45.87	\$51.39	\$46.83	\$52.17
Change from current		8.22%	2.09%	13.73%
Total Bill (12 Ccf) if	\$79.73	\$89.73	\$81.69	\$90.75
Change from current		12.54%	2.46%	13.81%
Total Bill (25 Ccf)	\$152.62	\$174.19	\$158.46	\$172.54
Change from current		14.13%	3.83%	13.05%

⁷⁸ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3", LA Cell I75; FWC Cell I315.

⁷⁹ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3", LA Cell I76; FWC Cell I316.

⁸⁰ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3", LA Cell I77; FWC Cell I317.

Under Cal Advocates recommended rates, low-usage ratepayers (5 Ccf/month) in the LA and FWC divisions will receive bills 13.38% and 10.23%, respectively lower than they would receive under SGVWC's proposed rates.^{81 82} Average ratepayers will see 12.90% and 9.97% lower bills respectively than they would receive under SGVWC's proposed rates.^{83 84 85 86 87}

2. Tier Rate Setting Methodologies and

SGVWC builds its quantity rates for each tier around percentages of sales and rate differentials, which were pre-set in the previous decision.^{88 89 90 91} In other words, SGVWC sets its quantity rates, the factor that most directly affects ratepayers' bills, last, after first ensuring they comply with the tier breakpoints, rate differentials between tiers, and the number of forecasted sales in each tier, set years previously. This data also does not account for the most recent historical sales data, and SGVWC bases its tier 1

PRODUCTION).xlsx, Tab "Tables3", LA Cell I79; FWC Cell I319.

⁸¹ Low-usage ratepayers in the LA and FWC divisions will receive bill increases of 1.01% and 2.09%, respectively, versus the 16.61% and 13.73% they would receive under SGVWC's proposed rates.

⁸² LA: (Cal Advocates proposed/SGVWC proposed) = 101.01%/116.61% = 86.62% = 13.38% decrease.
FWC: (Cal Advocates proposed/SGVWC proposed) = 102.09%/113.73% = 89.77% = 10.23% decrease.

⁸³ Average-usage ratepayers in the LA and FWC divisions will receive bill increases of 0.5% and 2.46%, respectively, versus the 15.39% and 13.81% they would receive under SGVWC's proposed rates.

⁸⁴ These numbers are subject to change with Cal Advocates' final recommended revenue requirement.

⁸⁵ Average-usage ratepayers in the LA and FWC divisions will receive bill increases of 0.5% and 2.46%, respectively, versus the 15.39% and 13.81% they would receive under SGVWC's proposed rates.

⁸⁶ LA: (Cal Advocates proposed/SGVWC proposed) = 100.50%/115.39% = 87.1% = 12.90% decrease.
FWC: (Cal Advocates proposed/SGVWC proposed) = 102.46%/113.81% = 90.03% = 9.97% decrease.

⁸⁷ Average meaning 10 Ccf/month for the LA district and 12 Ccf/month for the FWC district.

⁸⁸ In both divisions, the parties agreed to allocate 68.4% of TY sales to Tier 1, 21.6% of sales to Tier 2, and 10.0% of sales to Tier 3.

⁸⁹ The adopted Tier 2 quantity rate was set at a 15% premium over the Tier 1 quantity rate, and the Tier 3 quantity rate was set at a 30% premium over the Tier 2 quantity rate.

⁹⁰ SGVWC Exhibit SG-4 (Reiker), at 49 (PDF 52).

⁹¹ See Attachment 2-6: Exhibit SG-4 (Reiker) Attachment J, pp. 2, 4.

percentage of sales on an excessively high tier breakpoint, which is partially derived from SGVWC's incorrect assessment of average household sizes.⁹²

Cal Advocates recommends setting SGVWC's tier 2 rate to the SQR and setting the tier 1 and tier 3 rates at percentages of the SQR.⁹³ Cal Advocates developed its tier 1 percentage recommendation using the tier breakpoints in turn based on SGVWC's historical per-ratepayer winter water usage and the cumulative bill usage percentages of total sales. This methodology directly reflects SGVWC's historical consumption when setting future rates, unlike SGVWC's method, which calculates its quantity rates based on rate differentials between tiers set more than 15 years ago.^{94 95} The tier 3 rate serves as a plug to maintain the revenue requirement.

3. Tier 1 Quantity Rate

The tier 1 or "Monthly Indoor Water Use Allocation" quantity rate is the per/Ccf cost for all monthly single-family residential water consumption necessary for basic human needs.⁹⁶ Cal Advocates recommends setting this amount to the average ratepayer's baseline indoor water needs, 8 Ccf in the LA division and 9 Ccf in the FWC division, based on SGVWC's 2014-2023 winter median monthly usage per Residential Single Family customer.⁹⁷ Maintaining SGVWC's tier 1 rates while Cal Advocates adjusted the tier 1 breakpoints, resulting in rates 10% below the SQR in both divisions.⁹⁸ This adjustment provides an incentive for conservation and lowers the average monthly

⁹² Direct testimony of Joel Reiker, SGVWC Exhibit SG-4, at 52 (PDF 55), ln 7-9.

⁹³ A uniform cost per Ccf is calculated by dividing the TY 2026-2027 revenue forecast by the TY 2026-2027 residential sales forecast.

⁹⁴ Attachment 2-8: DR ASW-007 Response 1.

⁹⁵ D.10-04-031 at 67.

⁹⁶ SGVWC sets its tier breakpoints at 10 and 11 Ccf for the LA and FWC divisions, respectively.

⁹⁷ Attachment 2-5: SGVWC's Response to Cal Advocates Data Request ASW-002 Q1a - Attachment 1.a12, tab "Median Analysis."

⁹⁸ \$4.3419/Ccf for the LA division and \$4.4496/Ccf for the FWC division. These rates are subject to change depending on the final adopted revenue requirement.

1 bill of low-income ratepayers.⁹⁹ ¹⁰⁰ SGVWC sets this amount at 15% below their tier 2
2 rate to represent 71.5% of the LA district sales and 65.9% of the FWC district sales.¹⁰¹
3 The utility bases its tier 1 percentages of sales on excessively high tier breakpoints. Cal
4 Advocates recommends setting the tier 1 rate at 10% below the SQR to represent 62.3%
5 of overall sales for the LA division and 57.5% for the FWC division.¹⁰²

6 **4. Tier 2 Quantity Rate**

7 The Commission should adopt a tier 2 “Monthly Reasonable Discretionary Water
8 Use Allocation” quantity rate equal to SQR to promote conservation and benefit low
9 water users.¹⁰³ ¹⁰⁴ SGVWC presents its tier rates as percentages of its tier 2 rates rather
10 than percentages of its SQR.¹⁰⁵ ¹⁰⁶ However, setting the tier 2 rate at the SQR, and
11 expressing the tier 1 and tier 3 rates as proportions of the SQR rather than SGVWC's
12 method, which gives tier 2 rates 7.36% and 6.53% over the SQR in the LA and FWC

⁹⁹ Workpaper RD1 cell G105 (LA division), cell G227 (FWC division).

¹⁰⁰ See table 2-2.

¹⁰¹ SGVWC Exhibit SG-4, at 49 (PDF 52) ln. 18-22.

¹⁰² A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION)_CAL_ADVOCATES_DRAFT_5-19-25, Tab "RD1", LA Cell G70; FWC Cell G195.

¹⁰³ SGVWC's TY 2026-27 revenue forecast, under its current rate design of \$68,821,005, divided by its proposed TY residential sales forecast of 12,513,820 CCF, yields its SQR of \$5.4996/Ccf.

¹⁰⁴ LA: \$5.4996/Ccf under SG original, \$4.8244/Ccf at Cal Advocates recommended rates.
FWC: \$5.4408/Ccf under SG original, \$4.9440/Ccf at Cal Advocates recommended rates.

¹⁰⁵ SGVWC Exhibit SG-4, at 49 (PDF 52) ln. 18-22.

¹⁰⁶ The SQR is the average rate necessary to collect the estimated volumetric revenue, calculated as the amount of volumetric revenue to be collected divided by the total estimated consumption.

districts, is simpler and allows for significantly greater transparency.^{107 108 109 110}
 Compared to SGVWC's method, lowering the tier 2 rate to the SQR will promote
 conservation without disrupting the utility's revenue recovery through greater recovery at
 the tier 3 rate. This method will lower the average ratepayer's monthly bill and has been
 previously adopted by other Class A utilities.^{111 112 113} Table 2-3 gives SGVWC's tier rate
 differentials as percentages of SQR.¹¹⁴

Table 2-3: SQR % Equivalent of Current SGVWC Tier Rates

LA Division	% of Tier 2	% of SQR	FWC Division	% of Tier 2	% of SQR
Tier 1	87	93.37	Tier 1	87	92.64
Tier 2	100	107.37	Tier 2	100	106.53
Tier 3	130	139.58	Tier 3	130	138.49

The proposed tier pricing differential changes work in conjunction with the
 corresponding tier breakpoint changes discussed in Section B of Chapter 2 to maintain
 revenue neutrality. In the LA division, the pricing differentials between tier 1 and tier 2,
 and between tier 2 and tier 3, will be 11% and 61%, respectively. In the FWC division,
 the pricing differentials will be 11.11% and 56.38%, respectively.¹¹⁵ Table 2-4 illustrates
 the revenue neutrality at Cal Advocates' recommended revenues.

¹⁰⁷ San Gabriel calculates its tier 2 rate using the formula $(A = b * (c / (e + (d * g) + (f * h)))$

¹⁰⁸ A = Tier 2 Quantity Rate, B = Uniform Quantity Rate, C = Total Forecasted Quantity Rate Sales (Ccf), D = Forecasted Tier 1 Sales (Ccf), E = Forecasted Tier 2 Sales (Ccf), F = Forecasted Tier 3 Sales (Ccf), G = Tier 1 Quantity Rate as a percentage of Tier 2 Quant Rate, H = Tier 3 Quantity Rate as a percentage of the Tier 2 Quant Rate.

¹⁰⁹ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RD1", LA Cell G106; FWC Cell G228.

¹¹⁰ LA = $(5.9049/5.4996)-1 = 7.37\%$, FWC = $(5.7963/5.4408)-1 = 6.53\%$.

¹¹¹ \$4.8224 for the LA division and \$4.9440 for the FWC division, subject to change with Cal Advocates' final recommended revenue requirement.

¹¹² D.24-04-042, *Report on Sales & Revenues, Rate Design and BAMA* Appendix 1, at 7.

¹¹³ See table 2-2.

¹¹⁴ SGVWC Exhibit SG-4, at 49 (PDF 52).

¹¹⁵ These numbers are subject to change with the final revenue requirement.

Table 2-4: Revenue Neutrality Check of Recommended SGVWC Rate Design

LA Division¹¹⁶	Usage Proportion	Ccf in Tier	Cost per Ccf	Revenue
Tier 1	62.3%	3,173,447	\$4.3419/Ccf	\$13,778,898
Tier 2	27.5%	1,400,799	\$4.8244/Ccf	\$6,758,028
Tier 3	10.2%	519,569	\$7.7712/Ccf	\$4,037,674
Total Collected		5,093,815		\$24,574,600
Total Needed		5,093,815		\$24,574,600
FWC Division¹¹⁷	Usage Proportion	Ccf in Tier	Cost per Ccf	Revenue
Tier 1	57.5%	3,544,213	\$4.4496/Ccf	15,770,359
Tier 2	32.3%	1,990,923	\$4.9440/Ccf	9,843,142
Tier 3	10.2%	628,712	\$7.7314/Ccf	4,860,811
Total Collected		6,163,848		30,474,811
Total Needed		6,163,848		30,474,811

5. Tier 3 Quantity Rate

The tier 3 or “Excessive Discretionary Water Use” quantity rate is the per/Ccf cost for all monthly single-family residential water consumption above 18 and 22 Ccf for the LA division and FWC division, respectively.¹¹⁸ SGVWC sets the LA division and FWC division’s tier 3 rates at 38.49% and 39.58% of their respective SQRs to represent 10% of their overall sales.^{119 120} Cal Advocates recommends increasing the tier 3 rates to 61.08% and 56.38% over the SQR for the LA and FWC divisions respectively, to maintain revenue neutrality after setting the tier 1 rate 10% below the SQR and lowering the tier 2 rate to the SQR.^{121 122 123} This tier 3 rate ratio is a plug-in rate calculated to maintain

¹¹⁶ “Final Draft Graphs, Tab “SQR”.

¹¹⁷ “Final Draft Graphs, Tab “SQR”.

¹¹⁸ SGVWC sets its tier 2 breakpoints at 20 and 24 Ccf for its LA and FWC divisions, respectively.

¹¹⁹ SGVWC Exhibit SG-4, at 49 (PDF 52) ln. 18-22.

¹²⁰ 130% of SGVWC’s tier 2 rate.

¹²¹ Workpaper RD1, cell G107 (LA division), cell G229 (FWC division).

¹²² \$7.7712 for the LA division and \$7.7314 for the FWC division. These numbers are subject to change with the final revenue requirement.

¹²³ LA: $7.712/4.8244 = 61.08\%$ increase. FWC: $7.7314/4.9440 = 56.38\%$ increase.

revenue neutrality in the rate design. The increase in tier 3 rates will also provide a stronger incentive for high-usage consumers to reduce their water usage and encourage conservation.

D. Customer Assistance Program

SGVWC's Customer Assistance Program (CAP) currently provides fixed monthly assistance of \$10.35 to customers in the LA and FWC divisions enrolled in CAP, subtracted directly from their monthly fixed charges, and proposes to increase assistance by \$1.65 to \$12.00 per month to maintain the same effective discount in percentage terms.^{124 125 126} To mitigate the impact of rate increases on low-income customers and fund the CAP, non-CAP SGVWC customers in the LA and FWC divisions receive monthly surcharges of \$0.2920/Ccf and \$0.3184/Ccf respectively.¹²⁷ As of January 1st 2025 53.80% of LA division and 59.30% of FWC division customers are enrolled in SGVWC's CAP program.^{128 129 130}

1. CAP Subsidy

Cal Advocates proposed monthly CAP subsidy produces roughly equal increases (in percentage terms) for CAP and non-CAP customers' typical bills.¹³¹ An average customer (10 Ccf) in the LA division as of January 1 2025, currently has an effective CAP discount of 17.26%, and an average CAP customer (12 Ccf) in the FWC division

¹²⁴ See Attachment 2-9: (SGVWC Website, <https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap/>, accessed on May 16, 2025).

¹²⁵ SGVWC Exhibit SG-4, at 52 (PDF 55) ln 20-21.

¹²⁶ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3", LA Cell I74, I194; FWC Cell I314, I434.

¹²⁷ (Total CAP Subsidy)/(Total Metered Water Sales – Total CAP Customer Usage).

¹²⁸ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "RD1", LA Cell F117; FWC Cell F240.

¹²⁹ Attachment 2-10: SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.

¹³⁰ 21,632 and 25,073 customers in the LA and FWC divisions, respectively.

¹³¹ CAP discount applies to single-family households with a 1-inch or smaller meter, where the customer meets the income requirements and other qualifications.

has an effective CAP discount of 19.76%.¹³² ¹³³ ¹³⁴ As shown in Table 2-5, to maintain similar effective discount percentages, for average and low usage (5 Ccf) if ratepayers, Cal Advocates recommends setting the CAP discount to \$10.53 for the LA division and to \$10.88 for the FWC division.¹³⁵ ¹³⁶ ¹³⁷

Table 2-5: Effective CAP Discount

LA Division	LA Division 10 Ccf	LA Division 5 Ccf	FWC Division 12 Ccf	FWC Division 5 Ccf
Current CAP Bill	\$64.12	\$41.35	\$65.39	\$33.85
Current Effective Discount	17.26%	22.29%	17.99%	26.20%
SGVWC Proposed CAP Bill	\$74.02	\$48.35	\$74.40	\$38.36
SGVWC Proposed Effective Discount	17.23%	22.08%	18.02%	26.47%
Cal Advocates' Proposed CAP Bill	\$64.44	\$41.76	\$66.99	\$34.36
Cal Advocates' Proposed Effective Discount	17.27%	22.31%	17.99%	26.62%

2. CAP Surcharge

SGVWC recovers CAP subsidies in its LA and FWC divisions through quantity-based surcharges on each Ccf of water delivered to non-CAP customers. Cal Advocates does not oppose this request. However, SGVWC must maintain approximately equal, in percentage terms, increases in CAP and non-CAP customer bills at the reduced revenue requirement recommended by Cal Advocates. Therefore, to maintain the ~17% effective discount for the LA division and ~20% for the FWC division, SGVWC should reduce the

¹³² CAP Customer with average usage, LA: \$64.44/\$77.89 = 17.27%, FWC: \$66.99/\$81.69 = 17.99%.

¹³³ Direct testimony of Joel Reiker, SGVWC Exhibit SG-4, at 52.

¹³⁴ Cal Advocates used the current service and quantity rates to calculate the average bill and effective CAP discount for the LA and FWC Divisions.

¹³⁵ A.25-01-001, GRCWorkpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3", LA Cells I74, I194; FWC Cells I322, I442.

¹³⁶ These numbers are subject to change with the final revenue requirement.

¹³⁷ CAP Customer with low usage, LA: \$41.76/\$53.75 = 22.31%, FWC: \$34.36/\$46.83 = 26.62%.

surcharges in its LA and FWC divisions from \$0.3410/Ccf and \$0.3620/Ccf to \$0.2920/Ccf and \$0.3184/Ccf, respectively.^{138 139}

3. Hours at Minimum Wage

Hours at Minimum Wage estimates the number of work hours at minimum wage required to cover an average monthly utility bill. Cal Advocates bases the metrics presented in the tables below upon a minimum wage of \$17.87 per hour and average monthly usage of 10 Ccf and 12 Ccf for CAP and non-CAP customers in the LA and FWC divisions, respectively.^{140 141}

Table 2-6: Hours at Minimum Wage LA Division (TY2026-2027 and 2027-2028)

2026-2027	Average Usage Bill (Non-CAP)	Hrs at Minimum Wage (Non-CAP)	Average Usage Bill (CAP)	Hrs at Minimum Wage (CAP)
Cal Advocates	\$77.89	4.3587	\$64.44	3.6060
SGVWC	\$89.43	5.0045	\$74.02	4.1421
Difference	\$(11.54)	(0.6458)	\$(9.58)	(0.5361)
2027-2028				
Cal Advocates	\$79.72	4.5115	\$65.96	3.6911
SGVWC	\$93.11	5.2104	\$77.70	4.3481
Difference	\$(13.39)	(0.6989)	\$(11.74)	(0.6570)

¹³⁸ Cal Advocates used current service and quantity rates to calculate average bills and effective CAP discounts for the LA and FWC Divisions.

¹³⁹ This is subject to change with the final revenue requirement.

¹⁴⁰ Attachment 2-11: 2025 MWR Increase Memo 1-31-2025.

¹⁴¹ A.25-01-001, GRC Workpapers - 2025 (FORMAL APPLICATION) (CORRECTED FOR PRODUCTION).xlsx, Tab "Tables3".

Table 2-7: Hours at Minimum Wage FWC Division (TY2026-2027 and 2027-2028)

	Essential Usage Bill (Non-CAP)	Hours at Minimum Wage (Non-CAP)	Essential Usage Bill (CAP)	Hrs at Minimum Wage (CAP)
Cal Advocates	\$81.69	4.5713	\$66.99	3.7487
SGVWC	\$90.75	5.0783	\$74.40	4.1634
Difference	\$(9.06)	(0.5070)	\$(7.41)	(0.4147)
2027-2028				
Cal Advocates	\$84.25	4.7146	\$69.09	3.8663
SGVWC	\$94.21	5.2720	\$77.86	4.3570
Difference	\$(9.96)	(0.5574)	\$(8.77)	(0.4907)

Adopting Cal Advocates' recommended rate design would reduce the monthly hours of work required by 9.98% for FWC's non-CAP customers and 9.96% for FWC's CAP customers to 4.5713 hours and 3.7487 hours respectively for TY 2026-2027.¹⁴² For LA customers the benefits are even more pronounced with 12.90% for non-CAP LA ratepayers and 12.94% for CAP ratepayers to 4.3587 hours and 3.6060 hours respectively for TY 2026-2027.¹⁴³

IV. CONCLUSION

For the reasons discussed above, the Commission should:

- Maintain the 70%/30% allocation of quantity versus fixed charges for the FWC division and the 64.6%/35.4% ratio for the LA division.
- Reduce the LA and FWC division tier 1 breakpoints to 8 and 9 Ccf to reflect the actual average number of customers per household.
- Reduce the LA and FWC division tier 2 breakpoints to 18 and 22 Ccf.
- Set each division's tier 2 rate to the SQR to promote conservation and benefit low-income ratepayers.

¹⁴² Non-CAP = $(-0.5070)/(5.0783) = -9.98\%$, CAP = $(-0.4147)/(4.1634) = -9.96\%$

¹⁴³ Non-CAP = $(-0.6458)/(5.0045) = -12.90\%$, CAP = $(-0.5361)/(4.1421) = -12.94\%$

- 1 • Set each division's tier 1 rate to 10% below the SQR scroll to
2 Joel and use the tier 3 rate as a plug to maintain the revenue
3 requirement.
- 4 • Set the CAP discount to \$10.53 for the LA division and \$10.88
5 for the FWC division to maintain approximately equal increases
6 in CAP and non-CAP customer bills.
- 7 • SGVWC should reduce the surcharges in its LA and FWC
8 divisions to \$0.2920/Ccf and \$0.3164/Ccf, respectively.
9

LIST OF ATTACHMENTS FOR CHAPTER 2

#	Attachment #	Description
1	2-1	Cal. Water Code § 10609.4(a). https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/
2	2-2	ASW-002 Attachment 3. Q.2
3	2-3	ASW-002 Attachment 1.a1.
4	2-4	ASW-002 Attachment 1.a2.
5	2-5	SGVWC Exhibit SG-4 (Reiker) Attachment K
6	2-6	SGVWC Exhibit SG-4 (Reiker) Attachment J
7	2-7	American Water Rates https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design
8	2-8	DR ASW-007 Response 1
9	2-9	SGVWC Website, https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap/ / (5/16/2025)
10	2-10	SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.
11	2-11	2025 MWR Increase Memo 1-31-2025

ATTACHMENTS

LIST OF ATTACHMENTS FOR CHAPTER 1

#	Attachment #	Description
1	1-1	Qualifications of Witness – Andrew Sweeney
2	1-2	Section 1 Full Graphs
3	1-3	DR ASW-002 Attachment 2, LA Division, FWC Division
4	1-4	EXECUTIVE ORDER N-3-24
5	1-5	Report on the Evaluation of 2016 Validated Water Audit Data of California Water Utilities, Table 4 Potentially Recoverable Real Losses in California Utilities State-wide, p. 7
6	1-6	DR ASW-003 (NTP&S) Request 1
7	1-7	https://www.sgvwater.com/former-customers-of-the-city-of-montebello/ (6/6/2025).
8	1-8	DR ASW-006 Response 1, Attachment 1
9	1-9	DR ASW-006: Response 1.
10	2-1	Cal. Water Code § 10609.4(a). https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/
11	2-2	ASW-002 Attachment 3. Q.2
12	2-3	ASW-002 Attachment 1.a1
13	2-4	ASW-002 Attachment 1.a2.
14	2-5	SGVWC Exhibit SG-4 (Reiker) Attachment K
15	2-6	SGVWC Exhibit SG-4 (Reiker) Attachment J
16	2-7	American Water Rates, https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design (5/30/2025)
17	2-8	DR ASW-007 Response 1
18	2-9	SGVWC Website, https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap/ (5/16/2025)
19	2-10	SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.
20	2-11	2025 MWR Increase Memo 1-31-2025

Attachment 1-1:
Qualifications of Witness

1 **QUALIFICATIONS AND PREPARED TESTIMONY**
2 **OF**
3 **ANDREW SWEENEY**

4 Q.1 Please state your name and address.

5 A.1 My name is Andrew Sweeney, and my business address is 505 Van Ness Avenue,
6 San Francisco, California 94102.

8 Q.2 By whom are you employed and what is your job title?

9 A.2 I am currently employed by the California Public Utilities Commission Public
10 Advocates Office as a Public Utilities Regulatory Analyst in the Rates &
11 Revenues Section.

13 Q.3 Please describe your educational and professional experience.

14 A.3 I graduated from the University of California San Diego with a Bachelor of
15 Science in Environmental Systems and a Minor in Business, followed by a Master
16 of Finance from the Rady School of Management. In my time at the Public
17 Advocates Office, I have analyzed bill arrearages for Class A water utilities, and
18 written testimony for East Pasadena Water Company's proposed merger with
19 California-American Water. I wrote the O&M report for San Jose Water
20 Company's TY2022 GRC, the A&G report for California Water Company's
21 TY2023 GRC, the A&G report for California American Water's TY2024 GRC,
22 and the Non-Tariffed Products & Services, Interest During Construction, and
23 Balancing and Memorandum accounts for San Jose Water Company's TY2025
24 GRC.

26 Q.4 What is your area of responsibility in this proceeding?

27 A.4 Analyzing the utility's Rate Design and Revenue Requirement and writing
28 testimony to present my analysis

1 Q.5 Does that complete your prepared testimony?

2 A.5 Yes, it does.

Attachment 1-2: Section 1 Full Graphs

Table 1-1: LA Division TY 2026-27 Ccf/Customer/Year

Customer Class	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	124	124	0
Residential – Multi Family	637	627	(10)
Commercial	600	600	0
Industrial	17,043	17,043	0
Public Authority	2,476	2,476	0
City of Montebello - Contract	-	-	0
Construction	378	378	0
Recycled Contract - Munoz Nursery	5,835	5,835	0
Recycled Contract - Grant Rea Park	18,689	18,689	0
Recycled Contract - Whittier Narrows	38,765	38,765	0
Recycled Contract - W.N. Golf Course	189,588	189,588	0
Recycled Water - Tariff	4,409	4,409	0

Table 1-2: FWC Division TY 2026-27 Ccf/Customer/Year

Customer Class	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	144	143	(1)
Residential – Multi Family	1,205	1,181	(24)
Commercial	1,001	1,001	0
Industrial	7,698	7,698	0
Niagara Bottling	399,780	399,780	0
California Steel Industries	47,049	47,049	0
CEMEX USA - Contract	94,693	94,693	0
CEMEX USA - Tariff	241,535	241,535	0
Public Authority	2,412	2,412	0
Construction	1,229	1,229	0
Recycled Contract – City & School Dist.	5,449	5,449	0
Recycled Water – California Steel Ind.	60,194	60,194	0
Recycled Contract – Cal. Speedway Corp.	-	-	0
Recycled Contract -	-	-	0
Recycled - Tariff	5,784	5,784	0

Table 1-3: LA Division TY 2026-27 Total Sales

Customer Class	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	5,093,815	5,080,342	(13,473)
Residential – Multi Family	2,091,172	2,059,382	(31,790)
Commercial	3,109,225	3,109,225	0
Industrial	724,319	724,319	0
Public Authority	1,027,352	1,027,352	0
City of Montebello - Contract	-	-	0
Construction	12,544	12,544	0
Total Potable Water Sales	12,058,427	12,013,164	(45,263)
Recycled Contract - Munoz Nursery	5,835	5,835	0
Recycled Contract - Grant Rea Park	18,689	18,689	0
Recycled Contract - Whittier Narrows	348,882	348,882	0
Recycled Contract - W.N. Golf Course	189,588	189,588	0
Recycled Water - Tariff	198,383	198,383	0
Total Recycled Water Sales	761,376	761,376	0
Total Water Sales	12,819,804	12,774,540	(75,264)

Table 1-4: FWC Division TY 2026-27 Total Sales

Customer Class	Cal Advocates Recommended	SGVWC Request	SGVWC > Cal Advocates
Residential - Single Family	6,163,848	6,121,044	(42,804)
Residential – Multi Family	1,360,808	1,333,940	(26,868)
Commercial	2,936,347	2,936,347	0
Industrial	504,229	504,229	0
Niagara Bottling	799,560	799,560	0
California Steel Industries	141,148	141,148	0
CEMEX USA – Contract	94,693	94,693	0
CEMEX USA - Tariff	241,535	241,535	0
Public Authority	1,633,005	1,633,005	0
Construction	115,762	115,762	0
Subtotal	13,990,935	13,921,263	(69,672)
Recycled Contract - City & School Dist.	190,730	190,730	0
Recycled Contract - California Steel Ind.	60,194	60,194	0
Recycled Contract - Cal. Speedway Corp.	-	-	0
Recycled Contract -	-	-	0
Recycled Water - Tariff	54,948	54,948	0
Total Recycled Water Sales	305,872	305,872	0
Total Water Sales	14,296,809	14,227,136	(69,673)

Table 1-5: 100-Day Update (Attachments): Number of Customers			
Customer Class (LA Division)	SGVWC Initial	SGVWC 100-Day	100 Day > Initial
Residential - Single Family	40,971	41,048	78
Residential - Multi-Family	3,285	3,278	(7)
Commercial	5,183	5,158	(25)
Industrial	43	43	-
Public Authority	415	419	4
City of Montebello - Contract	-	-	-
Construction	33	33	0
Private Fire Service	1,475	1,489	14
Subtotal	51,403	51,467	65
Recycled Contract - Munoz Nursery	1	1	-
Recycled Contract - Grant Rea Park	1	1	-
Recycled Contract - Whittier Narrows	9	9	-
Recycled Contract - W.N. Golf Course	1	1	-
Recycled Water - Tariff	45	45	-
Subtotal	57	57	-
Total	51,460	51,524	65
Customer Class (FWC Division)	SGVWC Initial	SGVWC 100-Day	100 Day > Initial
Residential - Single Family	42,805	42,769	(36)
Residential - Multi-Family	1,130	1,135	6
Commercial	2,933	2,954	22
Industrial	66	61	(5)
Niagara Bottling	2	2	-
California Steel Industries	3	3	-
CEMEX USA - Contract	1	1	-
CEMEX USA - Tariff	n/a	n/a	-
Public Authority	677	675	(3)
Construction	94	88	(6)
Private Fire Service	1,336	1,362	26
Subtotal	49,045	49,049	5
Recycled Contract - City & School Dist.	35	36	1
Recycled Contract - California Steel Ind.	1	1	-
Recycled Contract - Cal. Speedway Corp.	-	-	-
Recycled Contract -	-	-	-
Recycled Water - Tariff	10	10	-
Subtotal	46	47	1
Total	49,090	49,096	6

Attachment 1-3: DR ASW-002 Attachment 2

LA Division

Monthly water usage (Ccf/month)	Monthly bill at 64.60/35.40 revenue allocation	Monthly bill at 70.00/30.00 revenue allocation	Monthly bill at 60.00/40.00 revenue allocation
1	\$40.15	\$35.29	\$44.28
2	\$45.62	\$41.20	\$49.39
3	\$51.10	\$47.12	\$54.49
4	\$56.58	\$53.03	\$59.60
5	\$62.05	\$58.94	\$64.70
6	\$67.53	\$64.85	\$69.81
7	\$73.00	\$70.76	\$74.91
8	\$78.48	\$76.67	\$80.02
9	\$83.95	\$82.58	\$85.13
10	\$89.43	\$88.49	\$90.23
11	\$95.68	\$95.24	\$96.05
12	\$101.92	\$101.98	\$101.87
13	\$108.17	\$108.73	\$107.69
14	\$114.41	\$115.48	\$113.51
15	\$120.66	\$122.22	\$119.33
16	\$126.91	\$128.97	\$125.15
17	\$133.15	\$135.71	\$130.97
18	\$139.40	\$142.46	\$136.79
19	\$145.64	\$149.21	\$142.61
20	\$151.89	\$155.95	\$148.43
21	\$159.91	\$164.62	\$155.89
22	\$167.92	\$173.29	\$163.36
23	\$175.94	\$181.95	\$170.82
24	\$183.96	\$190.62	\$178.28
25	\$191.98	\$199.29	\$185.75
26	\$199.99	\$207.96	\$193.21
27	\$208.01	\$216.63	\$200.67
28	\$216.03	\$225.29	\$208.14
29	\$224.05	\$233.96	\$215.60
30	\$232.06	\$242.63	\$223.06

FWC Division

Monthly water usage (Ccf/month)	Monthly bill at 64.60/35.40 revenue allocation	Monthly bill at 70.00/30.00 revenue allocation	Monthly bill at 60.00/40.00 revenue allocation
1	\$34.60	\$30.48	\$38.12
2	\$39.60	\$35.86	\$42.78
3	\$44.60	\$41.25	\$47.45
4	\$49.60	\$46.64	\$52.11
5	\$54.59	\$52.03	\$56.78
6	\$59.59	\$57.42	\$61.44
7	\$64.59	\$62.80	\$66.11
8	\$69.59	\$68.19	\$70.78
9	\$74.59	\$73.58	\$75.44
10	\$79.58	\$78.97	\$80.11
11	\$84.58	\$84.36	\$84.77
12	\$90.27	\$90.50	\$90.08
13	\$95.97	\$96.64	\$95.40
14	\$101.66	\$102.78	\$100.71
15	\$107.35	\$108.92	\$106.02
16	\$113.05	\$115.06	\$111.33
17	\$118.74	\$121.21	\$116.64
18	\$124.43	\$127.35	\$121.95
19	\$130.13	\$133.49	\$127.26
20	\$135.82	\$139.63	\$132.57
21	\$141.51	\$145.77	\$137.88
22	\$147.20	\$151.91	\$143.19
23	\$152.90	\$158.05	\$148.50
24	\$158.59	\$164.20	\$153.82
25	\$165.88	\$172.07	\$160.61
26	\$173.18	\$179.95	\$167.41
27	\$180.47	\$187.82	\$174.20
28	\$187.76	\$195.70	\$181.00
29	\$195.05	\$203.57	\$187.79
30	\$202.35	\$211.45	\$194.59

Attachment 1-4: EXECUTIVE ORDER N-3-24.

EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

EXECUTIVE ORDER N-3-24

WHEREAS on April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed States of Emergency to exist across all counties in the State due to drought conditions; and

WHEREAS the drought emergency has required a dynamic and flexible response from the State, and several provisions in my prior Proclamations and Orders have already been terminated or superseded; and

WHEREAS drought conditions have improved substantially, and lingering effects of the drought have largely abated in several areas of the California coast, Southern California, and the eastern Sierra Nevada; and

WHEREAS today I have therefore terminated the drought State of Emergency in the Counties of Imperial, Inyo, Los Angeles, Marin, Mendocino, Mono, Monterey, Orange, Riverside, San Bernardino, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Sonoma, and Ventura; and

WHEREAS the multi-year nature of this drought, which began three years after the record-setting drought of 2012-2016, continues to have ongoing, significant impacts on the Sacramento and San Joaquin River basins, the Tulare Lake basin, the Scott, Shasta, and Klamath River watersheds, and the Clear Lake watershed, which include many communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS improved conditions have helped rehabilitate surface water supplies, but have not eliminated the effects of the drought that remain in the Sacramento and San Joaquin River basins, the Tulare Lake basin, the Scott, Shasta, and Klamath River watersheds, and the Clear Lake watershed, and many groundwater basins remain depleted from overreliance and successive multi-year droughts; and

WHEREAS continued action by the State is needed to address ongoing consequences of the drought emergency in the Sacramento and San Joaquin River basins and the Klamath River and Clear Lake watersheds, including groundwater supply shortages, domestic well failures, and drought-related harm to native fishes; and

WHEREAS improved conditions even in the counties where the drought State of Emergency remains in effect warrant a more targeted State response, and certain provisions in my prior Proclamations and Orders provide authority that is no longer needed to mitigate the effects of the drought conditions, or direct actions by state agencies, departments, and boards that have already been completed; and

WHEREAS notwithstanding the rescission of certain emergency authorities for emergency drinking water action, state agencies have existing legal authority and funding to continue expedited work to advance the human right to water, and state agencies will continue all ongoing drought resilience

planning work, including through coordination with local agencies and tribes;
and

WHEREAS the coming winter's hydrology is uncertain and the most efficient way to preserve the State's improved surface water supplies is for Californians to continue their ongoing efforts to make conservation a way of life;
and

WHEREAS on March 1, March 8, March 12, March 14, March 28, April 20, May 15, and June 16, 2023, I proclaimed a State of Emergency to exist in 53 counties, cumulatively, as a result of a series of winter storms that initially struck California beginning in late February 2023; and

WHEREAS on March 31, 2023, and May 17, 2023, respectively, I issued Executive Orders N-6-23 and N-7-23 to further bolster the emergency response to the 2023 Late Winter Storms, particularly in the Tulare Lake Basin; and

WHEREAS improved conditions in the Tulare Lake Basin and other regions affected by the 2023 Late Winter Storms warrant a more targeted emergency response to the effects of those storms.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my State of Emergency Proclamations dated April 21, 2021; May 10, 2021; July 8, 2021; October 19, 2021; March 1, 2023; March 8, 2023; March 12, 2023; March 14, 2023; March 28, 2023; April 20, 2023; and May 15, 2023, and Executive Orders N-10-21 (July 8, 2021), N-7-22 (March 28, 2022), N-3-23 (February 13, 2023), N-4-23 (March 10, 2023), N-6-23 (March 31, 2023), and N-7-23 (May 17, 2023), remain in full force and effect, except as modified by those Proclamations and Orders, Executive Order N-5-23, my Proclamation Terminating the Drought States of Emergency in 19 counties dated today, and this Order. State agencies shall continue to implement all directions from those Proclamations and Orders and accelerate implementation where feasible.
2. The following provisions of my State of Emergency Proclamation dated May 10, 2021, are terminated:
 - a. Paragraph 8; and
 - b. Paragraphs 11–13.
3. The following provisions of my State of Emergency Proclamation dated October 19, 2021, are terminated:
 - a. Paragraphs 6–7;
 - b. Paragraph 9; and
 - c. Paragraph 12.

4. The following provision of Executive Order N-10-21 is terminated:
 - a. Paragraph 2.
5. The following provisions of Executive Order N-7-22 are terminated:
 - a. Paragraph 4;
 - b. Paragraphs 7–8; and
 - c. Paragraph 10.
6. The following provisions of Executive Order N-3-23 are terminated:
 - a. Paragraph 2; and
 - b. Paragraphs 4–5, except to the extent that Paragraph 4 withdraws Paragraph 9 of Executive Order N-7-22.
7. The following provisions of Executive Order N-4-23 are terminated:
 - a. Paragraphs 2–7.
8. The following provisions of Executive Order N-6-23 are terminated:
 - a. Paragraphs 7–10.
9. The following provisions of Executive Order N-7-23 are terminated:
 - a. Paragraphs 2–11, except to the extent that they withdraw provisions of prior Executive Orders.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 5th day of September 2024.



GAVIN NEWSOM
Governor of California

ATTEST:



SHIRLEY N. WEBER, PH.D.
Secretary of State



Attachment 1-5: Report on the Evaluation of 2016 Validated Water Audit Data of California Water Utilities, Table 4 Potentially Recoverable Real Losses in California Utilities State-wide, p. 7



**REPORT ON THE EVALUATION OF 2016
VALIDATED WATER AUDIT DATA OF
CALIFORNIA WATER UTILITIES**

**Prepared by:
Kunkel Water Efficiency Consulting
Philadelphia, Pennsylvania**

April 13, 2018

Table 4 gives calculations of projected volumes of real (leakage) loss throughout the State of California. The proportion of real loss volume in the filtered dataset of 268 water utilities to the 'Water Supplied Volume' is applied proportionally to the state-wide 'Water Withdrawal' volumes to give an estimate of 131,927 million gallons of state-wide real loss. For the filtered dataset of 268 utilities, recoverable economic losses were determined to be 31,032 million gallons, or 2.31% of the 'Water Supplied Volume'. Applying the same percentage to the state-wide 'Water Withdrawal' volume gives projected recoveries of 43,403 million gallons of real loss through the entire state. The additional recoverable real loss volume of 12,371 million gallons (43,403 – 31,032 million gallons) was valued using the median VPC of \$1,418.50 / million gallons for the 275 utilities in the filtered CA dataset. The cost impact of the 12,371 million gallons is \$17,548,263. Adding this cost to \$113,974,000 gives the potential excessive production costs grand total of \$131,522,263 for the state-wide financial impact of the projected 43,403 million gallons of real losses.

Table 4 Potentially Recoverable Real Losses in California Utilities State-wide

Utilities	Water Supplied/Withdrawn, mg	Real Losses, mg	Potentially Recoverable Real Losses, mg	Potentially Recoverable Financial Impact
CA Dataset (275 Utilities)	1,344,315 (Water Supplied)	94,390 = 7.02% of Water Supplied	31,032 = 2.31% of Water Supplied	\$113,974,000
Statewide in CA (number of utilities is unknown)	1,878,925 (Withdrawals)	(1,878,925)(0.0702) = 131,927	(1,878,925)(0.023) = 43,403	\$131,522,263***
***Potential production cost savings from reduced real losses: calculated by applying median Variable Production Cost of \$1,418.50 per million gallons to the difference of 43,403 MG minus 31,032 MG and adding this cost to \$113,974,000.				

Since these projections are determined using group (median) values of loss cost rate, they are approximate in nature and are not as accurate as utility-specific calculations of economic loss levels.

5. DATA OBSERVATIONS

Several notable trends in the data in the filtered dataset of 275 utilities were observed by the author and are noted below for reference:

1. Water Sources:
 - a. 113 utilities import no water; they obtain all water from sources that they manage
 - b. 39 water utilities import all of their supply
 - c. 162 import some water

Attachment 1-6: DR ASW-003 (NTP&S) Request 1.

SAN GABRIEL VALLEY WATER COMPANY

February 6, 2025

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: **Response to Data Request No. ASW-003 (NTP&S)**

Dear Mr. Aslam:

In response to your data request dated January 30, 2025, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:

The following questions refer to San Gabriel's workpapers, tab "RV2" lines 332-339 and 716-718.


- a. Are these revenues classified as NTP&S?
- b. If so, which revenues are categorized as active, and which as passive? Provide supporting documentation.

RESPONSE NO. 1:


- a. Only the revenues reported on LINES 337 and 338 (Montebello operating agreement) were for NTP&S.
- b. All of the revenues reported on LINES 337 and 338 (Montebello operating agreement) were classified as active. Please see \ASW-003 ATTACHMENT 1.pdf\ for supporting documentation.

RESPONDING WITNESS: Reiker

Attachment 1-7: <https://www.sgvwater.com/former-customers-of-the-city-of-montebello/> (6/6/2025)



Office: 1-626-448-6183 Emergencies Only: 1-626-448-4029 [How to Pay My Bill](#)

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Former Customers of the City of Montebello

In early February of 2023, San Gabriel Valley Water Company ("San Gabriel or Company") completed its acquisition of the City of Montebello's ("City") water system. As you may know, San Gabriel has been operating, maintaining, and preparing billing statements on behalf of the City since 2013. Effective April 24, 2023, your water service will be transferred to San Gabriel Valley Water Company and your water service will begin to be billed monthly at San Gabriel's General Metered Service Scheduled Rates adopted and approved by California Public Utilities Commission ("CPUC"). During the last ten years, the Company has consistently delivered safe, high-quality, and reliable water service to parts of the City of Montebello and has provided the same service to surrounding communities in the San Gabriel Valley since 1937. The Company's headquarters are located at 11142 Garvey Avenue in El Monte. San Gabriel looks forward to including you amongst our customers. If you have any questions or would like more information about our Company, please call us at (626) 448-6183 or come by our office Monday – Thursday between 7:30 a.m. – 5:30 p.m. and Friday between 7:30 a.m. – 4:00 p.m. Please note that our offices are closed on alternating Fridays. Our office schedule and more information can be found [here](#).

If you are currently a customer of record receiving water service no action is required from you at this time and your service will not be interrupted. If you would like additional information regarding programs such as conservation and low-income assistance or other service information, please [click here](#).

San Gabriel looks forward to being your water service provider and we want to make this transition as seamless as possible. If you have any questions or need additional information don't hesitate to contact us.

Thank you,
San Gabriel Valley Water Company

Attachment 1-8: DR ASW-006 Response 1, Attachment 1.

San Gabriel Valley Water Company					
ASW-006 Response					
	2019	2020	2021	2022	2023
Treatment Plant[1][2] (Cash basis)	8,369,107	7,861,087	7,448,830	6,686,841	10,140,515
Payments for prior year invoices	(2,718,706)	(2,437,188)	(891,287)	(765,636)	(1,698,666)
Current year invoices paid following year	2,437,188	891,287	765,636	1,698,666	3,077,365
Invoices missed in Attachment M	740,005	1,738,377	571,525	1,451,601	576,015
	8,827,594	8,053,563	7,894,704	9,071,472	12,095,229
Account 614 [3] (Accrual basis)	8,827,594	8,053,563	7,894,704	9,071,472	12,095,229
Difference	0	0	0	0	0
[1] SG-5 Attachment M GROUNDWATER TREATMENT PLANT COST RECOVERIES					
[2] Plant No. 8, G4, B4, B5, B6, Plant No. 11, B7, B9, B24, WN OU					
[3] GRC Workpapers "Tab RV2" line 718					

Attachment 1-9: DR ASW-006: Response 1.

SAN GABRIEL VALLEY WATER COMPANY

April 2, 2025

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: Response to Data Request No. ASW-006 (Other Revenues)

Dear Mr. Aslam:

In response to your data request dated March 21, 2025, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:

San Gabriel water states "Account 614 (Other Service Revenues) is primarily used to record reimbursements for operating expenses received from third parties who have been found to be responsible for groundwater pollution. San Gabriel's "Groundwater Treatment Plant Cost Recoveries" amounts given in SG-5 Attachment M do not match the recorded amounts for 614 given in the RO model.

- a. Please reconcile the values of "Final Difference" amount and the water loss reported in the table below along with supporting documentation in MS Excel format.

	2019	2020	2021	2022	2023	2024
Treatment Plant[1][2]	\$8,369,107	\$7,861,087	\$7,448,830	\$6,686,841	\$10,140,515	
Account 614[3]	\$8,827,594	\$8,053,563	\$7,894,704	\$9,071,472	\$12,095,229	\$12,265,959
Difference	\$458,487	\$192,476	\$445,874	\$2,384,631	\$1,954,714	
Other	\$40,485	\$27,105	\$178,353	\$56,465	\$20,803	\$20,803
Final Difference	\$418,002	\$165,371	\$267,521	\$2,328,166	\$1,933,911	

[1] SG-5 Attachment M (p.349) GROUNDWATER TREATMENT PLANT COST RECOVERIES

[2] Plant No. 8 G4 B4 B5 B6 Plant No. 11 B11 B7 B9 B24 WNOU

[3] GRC Workpapers "Tab RV2" lines 718

RESPONSE NO. 1:

Please see \ASW-006 ATTACHMENT 1.xlsx\ for the reconciliation. The Groundwater Treatment Plant Cost Recoveries schedule (EXHIBIT SG-5 ATTACHMENT M) has been presented many times in general rate case applications in the same format. However, what is not clear about the schedule is that the amounts presented are on a cash rather than an accrual basis. Because of this, there is a timing difference between ATTACHMENT M and the general ledger, as invoices billed in one year are often not collected until the next year. In preparing this reconciliation it became clear that in addition to the timing differences, ATTACHMENT M also contained omission errors with groups of invoices not included in the yearly totals. To prevent this going forward, ATTACHMENT M will be revised to reflect accrual basis accounting, making it easier to reconcile to the RO model and the general ledger.

RESPONDING WITNESS: Harris

REQUEST NO. 2:

In data request ASW-002, Cal Advocates stated that "Please provide monthly centum cubic foot ("Ccf") consumption data for every individual SGVWC customer for the most recent 36-month period (1/1/2022-12/31/2024) in MS Excel format. Provide Excel Worksheets for the Fontana and Los Angeles districts and separate the data by revenue class on different Excel Tabs." The attached Excel File (DR ASW-002 Residential 2023 V1) is not clear what the amount under the "amount" column represents. It appears to reflect the dollar amount of each ratepayer's monthly bill. Please clarify the meaning of the "amount" field?

LegacyAcct	CISAcct	Monrh	Class	TarCode	CAP	Size	Amount
35183361302	153887	202304	RESIDENTI	24	Y	5/8 INCH	68.83
12105504103	202551	202302	RESIDENTI	21	N	5/8 INCH	48.69
13520042503	164631	202311	RESIDENTI	21	N	1 INCH	156.12
35120224553	188414	202309	RESIDENTI	23	N	1 INCH	130.12
12112066008	181223	202301	RESIDENTI	21	N	5/8 INCH	48.83
11010026906	116532	202301	RESIDENTI	22	Y	5/8 INCH	89.97
11010045602	172224	202309	RESIDENTI	22	Y	5/8 INCH	115.17
13059931901	168499	202303	RESIDENTI	22	Y	5/8 INCH	68.5

- Please provide a new version of the files sent as part of (ASW-002 ATTACHMENT Question 2a and 2b), which includes the monthly water sales for each customer.
- Please separate the customer bills amounts between the L.A. and Fontana districts in the new version of the file

RESPONSE NO. 2:

The data shown in the "amount" field of San Gabriel's original response erroneously reflected total billed dollars and not usage as requested. This has been corrected in the response to this data request as explained below.

LIST OF ATTACHMENTS FOR CHAPTER 2

#	Attachment #	Description
1	2-1	Cal. Water Code § 10609.4(a). https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/
2	2-2	ASW-002 Attachment 3. Q.2
3	2-3	ASW-002 Attachment 1.a1.
4	2-4	ASW-002 Attachment 1.a2.
5	2-5	SGVWC Exhibit SG-4 (Reiker) Attachment K
6	2-6	SGVWC Exhibit SG-4 (Reiker) Attachment J
7	2-7	American Water Rates https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design
8	2-8	DR ASW-007 Response 1
9	2-9	SGVWC Website, https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap/ / (5/16/2025)
10	2-10	SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.
11	2-11	2025 MWR Increase Memo 1-31-2025

Attachment 2-1: Cal. Water Code § 10609.4(a).
<https://law.justia.com/codes/california/code-wat/division-6/part-2-55/chapter-9/section-10609-4/>

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Justia › U.S. Law › U.S. Codes and Statutes › California Code › 2024 California Code › Water Code - WAT › DIVISION 6 - CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES › PART 2.55 - SUSTAINABLE WATER › CHAPTER 9 - Urban Water Use Objectives and Water Use Reporting › Section 10609.4.

[Go to Previous Versions of this Section](#) ▼

2024 California Code
Water Code - WAT
DIVISION 6 - CONSERVATION, DEVELOPMENT, AND
UTILIZATION OF STATE WATER RESOURCES
PART 2.55 - SUSTAINABLE WATER USE AND DEMAND
REDUCTION
CHAPTER 9 - Urban Water Use Objectives and Water Use
Reporting
Section 10609.4.

10609.4. (a) (1) Until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be 47 gallons per capita daily.

(3) Beginning January 1, 2030, the standard for indoor residential water use shall be 42 gallons per capita daily.

(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations to assess and quantify the economic benefits and impacts of the 2030 indoor residential use standard on water, wastewater, and recycled water systems and shall include saturation end-use studies. The studies and investigations shall build on the standards and potential effects identified pursuant to subdivision (c) of Section 10609.2 and shall also consider, and as appropriate incorporate, other regional and statewide studies that quantify the impacts on water, wastewater, and recycled water systems, and evaluate the long-term effects of telework. To facilitate these studies and investigations, the board may request necessary and relevant information from wastewater agencies, including monthly influent flow, actions taken to reassess treatment processes, and the impact of the implementation of this chapter on wastewater operations, maintenance, and capital investment. The department, in coordination with the board, shall summarize the findings of these studies and investigations in a report to the Legislature on or before October 1, 2028. The report shall be submitted in compliance with Section 9795 of the Government Code.

(2) If the department, in coordination with the board, determines that the 2030 indoor residential use standard is likely to unduly impact affordability of water and wastewater services, the department and the board may jointly recommend to the Legislature an alternate date on which the 2030 indoor residential use standard shall take effect. This determination shall be made using at least two years of data reflecting application of the 2025 indoor residential use standard.

(3) Based upon the studies and investigations conducted pursuant to paragraph (1), the department shall consider whether to recommend, for adoption by the board, additional variances to accommodate unique challenges related to residential indoor water use pursuant to Section 10609.2. Variance options may include, but are not limited to, stranded assets, impacts on disadvantaged communities, impacts to environmental flows, or adverse impacts to wastewater or recycled water operations.

(4) The studies, investigations, and report described in paragraph (1) shall include timely and inclusive collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, water, wastewater, and recycled water agencies.

(c) An urban retail water supplier shall not be subject to enforcement pursuant to this chapter solely for failing to meet the indoor residential use standard.

(Amended by Stats. 2022, Ch. 679, Sec. 1. (SB 1157) Effective January 1, 2023.)

Attachment 2-2: ASW-002 Attachment 3. Q.2

	L.A. County Division	Fontana Water Company Division	Notes					
2025 Population Projection	259,897	246,665	See CHAPTER 3 of L.A. County Urban Water Management Plan (TABLE 3-1), pr					
2025 Residential S.F. Customer Forecast	40,864	42,659	See WORKPAPER RV1, CELLS O11 and O136.					
2025 Residential M.F. Customer Forecast	3,259	1,116	See WORKPAPER RV1, CELLS O12 and O137.					
Avg. No. Residential Units Per M.F. Connection	7.3	13.8	See Sheet1 for calculation of Average No. Units Per Multi-family connection.					
	23,639	15,357						
Total Residential Units	64,503	58,016						
Estimated No. of Residents Per Unit	4.0	4.3						

Attachment 2-3: ASW-002 Attachment 1.a1.

SAN GABRIEL VALLEY WATER COMPANY												
Conservation Rate Schedules LA-1C & FO-1C												
Median Usage (Ccf)												
	Median Monthly Usage (Ccf)											10 Yr.
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	AVG	
<u>Los Angeles County Division (Residential Single Family)</u>												
JAN	10.0	8.0	8.0	7.0	9.0	7.0	7.0	9.0	7.0	6.0	8.0	
FEB	10.0	9.0	7.0	6.0	8.0	6.0	8.0	8.0	8.0	6.0	8.0	
MAR	9.0	9.0	8.0	7.0	7.0	6.0	8.0	9.0	9.0	6.0	8.0	
APR	10.0	10.0	9.0	9.0	8.0	8.0	8.0	10.0	9.0	6.0	9.0	
MAY	13.0	10.0	9.0	9.0	9.0	9.0	10.0	10.0	9.0	8.0	10.0	
JUN	14.0	9.0	10.0	11.0	11.0	9.0	11.0	11.0	9.0	8.0	10.0	
JUL	14.0	11.0	12.0	13.0	12.0	11.0	13.0	12.0	10.0	9.0	12.0	
AUG	14.0	10.0	11.0	11.0	12.0	11.0	12.0	11.0	9.0	10.0	11.0	
SEP	13.0	11.0	12.0	12.0	12.0	12.0	12.0	11.0	10.0	9.0	11.0	
OCT	12.0	9.0	11.0	11.0	10.0	10.0	11.0	10.0	9.0	9.0	10.0	
NOV	10.0	8.0	8.0	10.0	9.0	10.0	10.0	8.0	8.0	8.0	9.0	
DEC	8.0	8.0	8.0	9.0	8.0	7.0	9.0	8.0	7.0	8.0	8.0	
ANNUAL	11.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	9.0	8.0	9.0	
ANNUAL SDEV	2.1	1.0	1.7	2.1	1.7	2.0	1.8	1.3	0.9	1.4	1.3	
WINTER (JAN, FEB, MAR)	10.0	9.0	8.0	7.0	8.0	6.0	8.0	9.0	8.0	6.0	8.0	
WINTER SDEV	0.5	0.5	0.5	0.5	0.8	0.5	0.5	0.5	0.8	-	0.0	
No. Persons Covered Based on 55 gpcd	5	4	4	3	4	3	4	4	4	3	4	
No. Persons Covered by Present Tier 1 Break Over of 10 Ccf											5	
<u>Fontana Water Company Division (Residential Single Family)</u>												
JAN	15.0	10.0	8.0	8.0	11.0	9.0	8.0	11.0	8.0	7.0	10.0	
FEB	13.0	11.0	8.0	7.0	10.0	7.0	9.0	9.0	10.0	7.0	9.0	
MAR	11.0	10.0	9.0	7.0	9.0	6.0	9.0	9.0	10.0	8.0	9.0	
APR	14.0	14.0	10.0	12.0	10.0	9.0	8.0	11.0	11.0	7.0	11.0	
MAY	18.0	14.0	11.0	12.0	12.0	12.0	13.0	14.0	12.0	10.0	13.0	
JUN	21.0	13.0	13.0	15.0	14.0	12.0	15.0	14.0	13.0	12.0	14.0	
JUL	22.0	17.0	17.0	18.0	16.0	15.0	17.0	18.0	15.0	13.0	17.0	
AUG	20.0	14.0	16.0	15.0	16.0	16.0	18.0	16.0	13.0	14.0	16.0	
SEP	19.0	14.0	16.0	16.0	17.0	17.0	17.0	17.0	14.0	13.0	16.0	
OCT	18.0	12.0	14.0	14.0	14.0	13.0	16.0	14.0	13.0	12.0	14.0	
NOV	14.0	11.0	10.0	13.0	12.0	14.0	12.0	10.0	10.0	11.0	12.0	
DEC	12.0	10.0	9.0	12.0	10.0	9.0	11.0	11.0	9.0	10.0	10.0	
ANNUAL	16.0	12.0	11.0	12.0	12.0	11.0	12.0	13.0	11.0	10.0	12.0	
ANNUAL SDEV	3.5	2.1	3.2	3.4	2.6	3.4	3.6	3.0	2.1	2.5	2.7	
WINTER (JAN, FEB, MAR)	13.0	10.0	8.0	7.0	10.0	7.0	9.0	10.0	9.0	7.0	9.0	
WINTER SDEV	1.6	0.5	0.5	0.5	0.8	1.2	0.5	0.9	0.9	0.5	0.5	
No. Persons Covered Based on 55 gpcd	6	5	4	3	5	3	4	5	4	3	4	
No. Persons Covered by E.Y. '25-'26 Tier 1 Break Over of 11 Ccf											5	

Attachment 2-4: ASW-002 Attachment 1.a2.

SAN GABRIEL VALLEY WATER COMPANY		
Conservation Rate Schedules LA-1C & FO-1C		
Median Usage (Ccf)		
		Median Monthly Usage (Ccf)
		<u>2024</u>
<u>Los Angeles County Division (Residential Single Family)</u>		
JAN		7.0
FEB		6.0
MAR		6.0
WINTER		6.0
<u>Fontana Water Company Division (Residential Single Family)</u>		
JAN		8.0
FEB		7.0
MAR		7.0
WINTER		7.0

Attachment 2-5: SGVWC Exhibit SG-4 (Reiker) Attachment K.

SAN GABRIEL VALLEY WATER COMPANY
Conservation Rate Schedules LA-1C & FO-1C
Cumulative Billed Usage

Billed Usage (Ccf)	LOS ANGELES COUNTY DIVISION Cumulative Billed Usage %										Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Test Year 2026-2027
1	6.8%	8.2%	8.2%	8.0%	7.9%	8.4%	7.8%	7.8%	8.6%	9.4%	8.9%	9.1%	9.2%	9.4%	9.3%
2	13.5%	16.3%	16.3%	15.8%	15.6%	16.7%	15.4%	15.6%	17.1%	18.5%	17.7%	17.9%	18.2%	18.5%	18.4%
3	20.1%	24.2%	24.2%	23.5%	23.2%	24.7%	22.9%	23.1%	25.4%	27.3%	26.1%	26.5%	27.0%	27.4%	27.2%
4	26.6%	31.8%	31.9%	30.9%	30.6%	32.4%	30.1%	30.5%	33.3%	35.7%	34.2%	34.7%	35.2%	35.7%	35.5%
5	32.9%	39.1%	39.1%	37.9%	37.6%	39.7%	37.0%	37.4%	40.8%	43.5%	41.7%	42.3%	42.9%	43.5%	43.2%
6	38.9%	46.0%	45.9%	44.5%	44.1%	46.4%	43.5%	44.0%	47.6%	50.5%	48.7%	49.3%	50.0%	50.6%	50.3%
7	44.6%	52.3%	52.1%	50.5%	50.2%	52.6%	49.5%	50.1%	53.9%	56.9%	55.0%	55.6%	56.3%	57.0%	56.6%
8	50.0%	58.0%	57.8%	56.0%	55.8%	58.1%	55.0%	55.7%	59.6%	62.5%	60.6%	61.3%	61.9%	62.6%	62.3%
9	54.9%	63.2%	62.8%	61.0%	60.8%	63.1%	60.0%	60.7%	64.6%	67.4%	65.5%	66.2%	66.9%	67.6%	67.2%
10	59.5%	67.7%	67.3%	65.4%	65.3%	67.4%	64.4%	65.2%	69.0%	71.6%	69.8%	70.5%	71.1%	71.8%	71.5%
11	63.6%	71.8%	71.3%	69.4%	69.3%	71.3%	68.4%	69.3%	72.9%	75.3%	73.6%	74.2%	74.9%	75.5%	75.2%
12	67.4%	75.3%	74.8%	72.9%	72.8%	74.7%	72.0%	72.8%	76.2%	78.4%	76.9%	77.5%	78.1%	78.6%	78.3%
13	70.8%	78.4%	77.9%	76.0%	75.9%	77.7%	75.2%	75.9%	79.1%	81.1%	79.7%	80.3%	80.8%	81.3%	81.1%
14	73.8%	81.1%	80.6%	78.7%	78.7%	80.3%	77.9%	78.7%	81.7%	83.5%	82.2%	82.7%	83.2%	83.6%	83.4%
15	76.5%	83.4%	82.9%	81.1%	81.0%	82.5%	80.4%	81.2%	83.8%	85.5%	84.3%	84.7%	85.2%	85.6%	85.4%
16	78.9%	85.4%	84.9%	83.2%	83.1%	84.5%	82.5%	83.1%	85.7%	87.2%	86.1%	86.5%	86.9%	87.3%	87.1%
17	81.1%	87.1%	86.7%	85.0%	84.9%	86.2%	84.4%	85.0%	87.3%	88.6%	87.6%	88.0%	88.4%	88.7%	88.6%
18	83.0%	88.6%	88.2%	86.6%	86.5%	87.7%	86.0%	86.6%	88.7%	89.9%	89.0%	89.3%	89.6%	90.0%	89.8%
19	84.7%	89.9%	89.5%	88.0%	87.9%	88.9%	87.4%	88.0%	89.9%	91.0%	90.2%	90.4%	90.7%	91.0%	90.9%
20	86.1%	90.9%	90.6%	89.2%	89.1%	90.0%	88.7%	89.1%	90.9%	91.8%	91.1%	91.3%	91.6%	91.9%	91.7%
21	87.4%	91.9%	91.6%	90.2%	90.2%	91.0%	89.8%	90.1%	91.8%	92.6%	92.0%	92.2%	92.4%	92.7%	92.5%
22	88.6%	92.7%	92.4%	91.2%	91.1%	91.8%	90.7%	91.1%	92.6%	93.4%	92.7%	92.9%	93.1%	93.4%	93.2%
23	89.6%	93.4%	93.2%	92.0%	91.9%	92.6%	91.6%	91.9%	93.3%	94.0%	93.4%	93.6%	93.8%	94.0%	93.9%
24	90.6%	94.1%	93.8%	92.7%	92.6%	93.3%	92.3%	92.6%	93.9%	94.5%	94.0%	94.2%	94.3%	94.5%	94.4%
25	91.4%	94.6%	94.4%	93.4%	93.3%	93.9%	93.0%	93.2%	94.4%	95.0%	94.5%	94.7%	94.8%	95.0%	94.9%

Billed Usage (Ccf)	FONTANA WATER COMPANY DIVISION Cumulative Billed Usage %										Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Test Year 2026-2027
1	5.0%	6.3%	6.7%	6.3%	6.3%	6.8%	6.1%	6.1%	6.7%	7.4%	7.1%	7.2%	7.3%	7.5%	7.4%
2	10.0%	12.5%	13.3%	12.6%	12.6%	13.5%	12.2%	12.2%	13.3%	14.6%	14.1%	14.3%	14.6%	14.8%	14.7%
3	14.9%	18.7%	19.9%	18.8%	18.7%	20.0%	18.2%	18.2%	19.8%	21.7%	20.9%	21.3%	21.7%	22.0%	21.8%
4	19.7%	24.8%	26.3%	24.8%	24.8%	26.4%	24.1%	24.1%	26.2%	28.6%	27.6%	28.0%	28.5%	29.0%	28.8%
5	24.5%	30.7%	32.4%	30.6%	30.6%	32.5%	29.8%	29.8%	32.3%	35.1%	33.9%	34.5%	35.1%	35.6%	35.3%
6	29.2%	36.4%	38.4%	36.2%	36.3%	38.4%	35.2%	35.3%	38.2%	41.3%	40.0%	40.6%	41.2%	41.9%	41.6%
7	33.8%	41.9%	44.0%	41.5%	41.7%	43.9%	40.4%	40.5%	43.7%	47.0%	45.6%	46.3%	47.0%	47.7%	47.3%
8	38.2%	47.1%	49.3%	46.5%	46.8%	49.0%	45.3%	45.5%	48.9%	52.3%	50.8%	51.6%	52.3%	53.0%	52.7%
9	42.5%	52.0%	54.2%	51.2%	51.6%	53.7%	49.9%	50.1%	53.7%	57.1%	55.7%	56.4%	57.1%	57.9%	57.5%
10	46.6%	56.5%	58.7%	55.6%	56.0%	58.0%	54.2%	54.5%	58.1%	61.5%	60.1%	60.8%	61.5%	62.3%	61.9%
11	50.5%	60.7%	62.9%	59.6%	60.1%	62.0%	58.2%	58.5%	62.2%	65.4%	64.1%	64.8%	65.5%	66.3%	65.9%
12	54.2%	64.6%	66.7%	63.3%	63.9%	65.7%	61.9%	62.3%	65.9%	69.0%	67.7%	68.4%	69.1%	69.8%	69.5%
13	57.7%	68.2%	70.1%	66.8%	67.4%	69.0%	65.3%	65.7%	69.3%	72.2%	71.0%	71.6%	72.3%	73.0%	72.7%
14	60.9%	71.5%	73.3%	69.9%	70.6%	72.1%	68.4%	68.9%	72.4%	75.1%	73.9%	74.6%	75.2%	75.9%	75.6%
15	64.0%	74.4%	76.1%	72.8%	73.5%	74.8%	71.3%	71.7%	75.1%	77.7%	76.6%	77.2%	77.8%	78.4%	78.1%
16	66.9%	77.1%	78.7%	75.4%	76.1%	77.3%	73.9%	74.4%	77.6%	80.0%	79.0%	79.6%	80.1%	80.7%	80.4%
17	69.6%	79.5%	81.0%	77.8%	78.5%	79.5%	76.3%	76.8%	79.9%	82.1%	81.1%	81.7%	82.2%	82.8%	82.5%
18	72.0%	81.6%	83.0%	79.9%	80.6%	81.5%	78.5%	78.9%	81.9%	83.9%	83.0%	83.5%	84.1%	84.6%	84.3%
19	74.3%	83.6%	84.8%	81.9%	82.6%	83.4%	80.5%	80.9%	83.7%	85.6%	84.8%	85.2%	85.7%	86.2%	85.9%
20	76.4%	85.2%	86.4%	83.6%	84.3%	85.0%	82.2%	82.7%	85.3%	87.0%	86.3%	86.7%	87.2%	87.6%	87.4%
21	78.3%	86.7%	87.8%	85.2%	85.8%	86.4%	83.9%	84.3%	86.7%	88.3%	87.6%	88.0%	88.5%	88.9%	88.7%
22	80.1%	88.1%	89.1%	86.6%	87.2%	87.7%	85.3%	85.7%	88.0%	89.5%	88.9%	89.2%	89.6%	90.0%	89.8%
23	81.8%	89.3%	90.3%	87.9%	88.5%	88.9%	86.7%	87.1%	89.2%	90.5%	90.0%	90.3%	90.7%	91.0%	90.8%
24	83.3%	90.4%	91.3%	89.1%	89.6%	90.0%	87.9%	88.2%	90.2%	91.4%	90.9%	91.2%	91.6%	91.9%	91.7%
25	84.7%	91.4%	92.2%	90.1%	90.6%	90.9%	89.0%	89.3%	91.1%	92.2%	91.8%	92.1%	92.4%	92.7%	92.5%

Attachment 2-6: SGVWC Exhibit SG-4 (Reiker) Attachment J.

SAN GABRIEL VALLEY WATER COMPANY
Los Angeles County Division
Rate Design

LOS ANGELES COUNTY DIVISION					
Rate Design	Present	Proposed			
Schedule LA-1C Tier 1 Breakover (Cdfs):	11	10			
% of Schedule LA-1C Sales Occuring in Tier 1:	69.2%	68.4%			
Schedule LA-1C Tier 2 Breakover (Cdfs):	n/a	20			
% of Schedule LA-1C Sales Occuring in Tier 2:	n/a	21.6%			
Schedule LA-1C Tier 1 Rate as % of Tier 2 Rate:	n/a	87.0%			
Schedule LA-1C Tier 3 Rate as % of Tier 2 Rate:	n/a	130.0%			
Schedule LA-6 Discount from Potable Single Block Rate:	15%	15%			
Monthly Service Charges	Meter Capacity Multiplier	Quantity Rates Per Ccf			
		Present	Proposed		
		Eff. 4/18/2023	Test Year	Escalation Year	
		Per AL 587	2023-2024	2024-2025	2025-2026
% x 3/4-inch	1	\$27.14	\$28.04	\$29.17	\$30.33
3/4-inch	1.5	\$40.71	\$42.06	\$43.75	\$45.50
1-inch	2.5	\$67.86	\$70.12	\$72.93	\$75.85
1 1/4-inch	5	\$135.69	\$140.22	\$145.85	\$151.67
2-inch	8	\$217.16	\$224.34	\$233.36	\$242.67
3-inch	15	\$407.06	\$420.65	\$437.55	\$455.01
4-inch	25	\$678.50	\$701.08	\$729.24	\$758.35
6-inch	50	\$1,352.00	\$1,402.16	\$1,458.49	\$1,516.70
8-inch	80	\$2,174.00	\$2,243.45	\$2,333.58	\$2,426.71
10-inch	115	\$3,120.00	\$3,224.96	\$3,354.52	\$3,488.40
12-inch	165	\$4,483.00	\$4,627.11	\$4,813.00	\$5,005.09
2 2-inch	16	\$435.00	\$448.69	\$466.72	\$485.34
3 2-inch	24	\$651.00	\$673.03	\$700.07	\$728.01
4 2-inch	32	\$868.00	\$897.38	\$933.43	\$970.68
2 3-inch	30	\$814.00	\$841.29	\$875.09	\$910.02
2 4-inch	50	\$1,357.00	\$1,402.16	\$1,458.49	\$1,516.70
3 4-inch	75	\$2,039.00	\$2,103.23	\$2,187.73	\$2,275.04
1 8-inch, 1 2-inch	78	\$2,118.00	\$2,187.36	\$2,275.24	\$2,366.04
Private Fire Service (per inch diameter of svc. connection)		\$17.93	\$18.53	\$19.27	\$20.04
CARW/CAP Subsidy		(\$9.82)	(\$10.35)	(\$10.35)	(\$10.35)
<u>Quantity Rates Per Ccf</u>					
Rate Schedule LA-1		\$4.1746	\$4.5586	\$4.7518	\$4.9518
Rate Schedule LA-1C - Tier 1		\$4.0121	\$4.2135	\$4.3922	\$4.5770
Rate Schedule LA-1C - Tier 2		\$4.5398	\$4.8454	\$5.0508	\$5.2633
Rate Schedule LA-1C - Tier 3		n/a	\$6.2990	\$6.5660	\$6.8423
City of Montebello - Contract		\$2.7128	\$2.8492	\$2.8492	\$2.8492
Recycled Contract - Munoz Nursery		\$2.6249	\$2.8083	\$2.8708	\$2.9343
Recycled Contract - Grant Rea Park		\$4.3904	\$3.4030	\$3.5383	\$3.6783
Recycled Contract - Whittier Narrows		\$2.4288	\$2.4288	\$2.4340	\$2.4392
Recycled Contract - W.N. Golf Course		\$4.1746	\$3.6468	\$3.8015	\$3.9614
Recycled Water - Rate Schedule LA-6		\$3.5484	\$3.8748	\$4.0390	\$4.2090
Rate Schedule LA-AS CARW/CAP Surcharge		\$0.2158	\$0.3029	\$0.3029	\$0.3029
<u>California Alternative Rates for Water (CARW) Program Surcharge</u>					
Customers Enrolled in CARW/CAP as of 06/30/2021:		20,840			
CARW/CAP Participation Rate:		53.5%			
Total Test Year CARW/CAP Subsidy:		\$2,624,186			
Total Metered Water Sales (Ccf):		11,428,981			
Less: CARW/CAP Customer Usage at Avg. S.F. Res. Usage:		(2,764,662)			
Subtotal:		8,664,319			
CARW/CAP Surcharge Per Ccf:		\$0.3029			
Source(s): Company accounting records, current tariff schedules as indicated, Ex. SG-6 (Reiker)					
Supporting Work Paper(s): RV1, RV2					

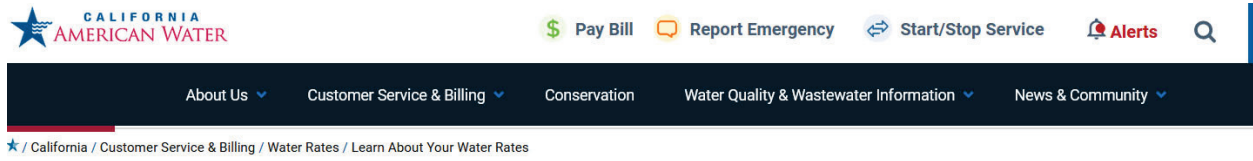
SAN GABRIEL VALLEY WATER COMPANY
Fontana Water Company Division
Rate Design

FONTANA WATER COMPANY DIVISION					
Rate Design	Present	T.Y. 23-24			
Schedule FO-1C Tier 1 Breakover (Ccfs):	14	13			
% of Schedule FO-1C Sales Occuring in Tier 1:	70.6%	68.4%			
Schedule FO-1C Tier 2 Breakover (Ccfs):	n/a	24			
% of Schedule FO-1C Sales Occuring in Tier 2:	n/a	21.6%			
Schedule FO-1C Tier 1 Rate as % of Tier 2 Rate:	n/a	87.0%			
Schedule FO-1C Tier 3 Rate as % of Tier 2 Rate:	n/a	130.0%			
Schedule FO-6 Discount from Potable Single Block Rate:	25%	25%			
Monthly Service Charges	Meter Capacity Multiplier	Quantity Rates Per Ccf			
		Present	Proposed		
		Eff. 1/1/2023	Test Year	Escalation Year	
		Per AL 584	2023-2024	2024-2025	2025-2026
1/4 x 3/4-inch	1	\$20.61	\$20.86	\$21.75	\$22.63
3/4-inch	1.5	\$30.89	\$31.29	\$32.62	\$33.94
1-inch	2.5	\$51.49	\$52.15	\$54.38	\$56.57
1 1/2-inch	5	\$102.96	\$104.29	\$108.74	\$113.13
2-inch	8	\$164.73	\$166.87	\$173.99	\$181.01
3-inch	15	\$308.91	\$312.87	\$326.23	\$339.39
4-inch	25	\$514.78	\$521.46	\$543.72	\$565.64
6-inch	50	\$1,028.00	\$1,042.92	\$1,087.45	\$1,131.29
8-inch	80	\$1,651.00	\$1,668.66	\$1,739.91	\$1,810.06
10-inch	115	\$2,362.00	\$2,398.70	\$2,501.12	\$2,601.96
12-inch	165	\$3,402.00	\$3,441.62	\$3,588.57	\$3,733.24
2 2-inch	16	\$329.00	\$333.73	\$347.98	\$362.01
3 2-inch	24	\$494.00	\$500.60	\$521.97	\$543.02
4 2-inch	32	\$659.00	\$667.47	\$695.96	\$724.02
2 3-inch	30	\$619.00	\$625.75	\$652.47	\$678.77
2 4-inch	50	\$1,030.00	\$1,042.92	\$1,087.45	\$1,131.29
Private Fire Service (per inch diameter of svc. connection)		\$13.81	\$13.98	\$14.57	\$15.16
CARW/CAP Subsidy		(\$9.82)	(\$10.35)	(\$10.35)	(\$10.35)
Quantity Rates Per Ccf					
Rate Schedule FO-1		\$4.2667	\$4.5354	\$4.7423	\$4.9471
Rate Schedule FO-1C - Tier 1		\$4.1069	\$4.1922	\$4.3834	\$4.5727
Rate Schedule FO-1C - Tier 2		\$4.6500	\$4.8208	\$5.0407	\$5.2584
Rate Schedule FO-1C - Tier 3		n/a	\$6.2670	\$6.5529	\$6.8359
CEMEX USA - Contract		\$2.0913	\$2.2597	\$2.3557	\$2.4508
Recycled Contract - City & School Dist.		\$1.8388	\$1.8247	\$1.8358	\$1.8470
Recycled Contract - California Steel Ind.		\$1.5591	\$1.6684	\$1.6684	\$1.6684
Recycled Contract - Cal. Speedway Corp.		\$1.5591	\$1.6684	\$1.6684	\$1.6684
Recycled Contract -		\$0.0000	\$0.0000	\$0.0000	\$0.0000
Recycled Water - Rate Schedule FO-6		\$3.2000	\$3.4016	\$3.5568	\$3.7103
Rate Schedule FO-AS CARW/CAP Surcharge		\$0.2389	\$0.3330	\$0.3330	\$0.3330
California Alternative Rates for Water (CARW) Program Surcharge					
Customers Enrolled in CARW/CAP as of 06/30/2021:		24,454			
CARW/CAP Participation Rate:		58.4%			
Total Test Year CARW/CAP Subsidy:		\$3,131,394			
Total Metered Water Sales (Ccf):		13,584,927			
Less: CARW/CAP Customer Usage at Avg. S.F. Res. Usage:		(4,180,801)			
Subtotal:		9,404,126			
CARW/CAP Surcharge Per Ccf:		\$0.3330			

Source(s): Company accounting records, current tariff schedules as indicated, Ex. SG-6 (Reiker)
Supporting Work Paper(s): RV1, RV2

Attachment 2-7: American Water Rates

<https://www.amwater.com/caaw/Customer-Service-Billing/Water-Rates/rate-design>



MONTEREY RATES

INTRODUCTION:

In communities around the world, water utilities set rates to collect the revenue necessary to operate water systems. While this sounds like a simple concept, it can be complex in practice. Here in Monterey, we have dual goals to achieve in our rate design. On the one hand, due to consistent periods of drought, we must send strong rate signals to conserve water through our tiered rate structure. At the same time, we must ensure recovery of infrastructure investments to augment our water supply. We've developed this website to provide customers with a more detailed explanation about Monterey's water rates.

On July 1, 2022 California American Water filed a General Rate Case ("GRC") Application A.22-07-001 covering costs for the years 2024-2026. The Public Utilities Commission resolved A.22-07-001 in Decision 24-12-025, which was issued in December 2024. On March 7, 2025, California American Water implemented rates coming out D.24-12-025. The decision authorized new rates for 2024. California American Water also filed for its 2025 Escalation Year increase for rates effective January 1, 2025. At the same time, an adjustment to rates to reflect the most recent water year's (WY) consumption or Annual Consumption Adjustment Mechanism went into effect for 2024 and 2025. Annual Consumption Adjustment Mechanism rates were calculated to reflect actual water consumption during WY 2024 (October 2023 – September 2024).

What are the components of my rates?

Rates feature four pricing tiers. The amount of water allowed at each tier is standardized for single family and multi-family residential customers.

During each billing period, your household water use starts in the first tier, where the price per 100 gallons is the lowest. Each tier has a certain amount of water allocated to it – if you use more water than is allocated to a particular tier, you move to the next higher-priced tier.

Single Family Rates (Effective March 7, 2025)		
Tier 1	For the first 29.9 CGL	\$0.7920
Tier 2	For the next 29.9 CGL	\$1.5841
Tier 3	For the next 54.5 CGL	\$2.3761
Tier 4	For all water over 114.3 CGL	\$3.3001
Multi-Family Rates (Effective March 7, 2025)		
Tier 1	For the first 18.7 CGL	\$0.9615
Tier 2	For the next 18.7 CGL	\$1.9231
Tier 3	For the next 13.5 CGL	\$4.3269
Tier 4	For all water over 50.9 CGL	\$6.0096
Non-Residential Rates (Effective March 7, 2025)		
Division 1	Rate for all units	\$1.9729
Division 2	Rate for all units	\$2.2196
Division 3	Rate for all units	\$2.4662
Division 4	Rate for all units	\$4.9324

$$(29.9 \text{ CGL}) = 4 \text{ Ccf}$$

Attachment 2-8: DR ASW-007 Response 1.

SAN GABRIEL VALLEY WATER COMPANY

April 10, 2025

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: Response to Data Request No. ASW-007 (Standard Quantity Rates & Water Loss Audits – Follow-up)

Dear Mr. Aslam:

In response to your data request dated April 3, 2025, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:

San Gabriel provides standard quantity rates (SQR) for the L.A. (WORKPAPER RD1, LINE 104) and Fontana (WORKPAPER RD1, LINE 226) districts. Referring to your response to ASW-004, Question 1(a) “In order for the Monterey-style Water Rate Adjustment Mechanism (M-WRAM) to function properly, the tiered quantity rates (Tariff Schedules LA-1C and FO-1C) are designed to produce the same level of revenues that would be produced by the standard/uniform quantity rates (Tariff Schedules LA-1 and FO-1) based on the forecasted level of sales (Ccf) in each tier.” The Tier 2 rates for each district are derived from those standard quantity rates using a mathematical formula provided in DR ASW-004 Request #2. They are stated to produce the same level of revenues that would be produced by the standard/uniform quantity rate based on the forecasted sales in each tier. Please answer the following questions:

- a. Why is San Gabriel’s tier-2 rate set based on a mathematical formula, based on the SQR, and not set to the SQR itself?
- b. Why are the tier-1 and tier-3 rates set as a percentage of the tier-2 rates rather than a percentage of the SQR provided

RESPONSE NO. 1:

- a. San Gabriel’s conservation rate design was adopted in D.10-04-031 (*see* ATTACHMENT ASW-007 ATTACHMENT 1.a\)) and is based on a procedural

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methodology in which the parameters of (1) service charge-to-quantity charge ratio, (2) number of tiers, and (3) rate differentials between tiers are determined *prior* to determining the specific quantity rates. In other words, the quantity rates are determined *after* settling on the tier breakovers, rate differentials between tiers, and the quantity of forecasted sales in each tier. Given these parameters, setting San Gabriel's Tier 2 quantity rate equal to the SQR would result in annual over-collections in the M-WRAM balancing account of approximately \$4 million per year. This result is shown in WORKPAPER RV2, LINES 96 – 97 and 493 – 494 of \ASW-007 ATTACHMENT 1.b.xlsx\.

In order for the M-WRAM to function properly under this scenario (i.e. the tiered quantity rates produce the same level of revenues that would be produced by the SQR based on the forecasted level of sales), either (1) the rate differential between Tier 1 and Tier 2 would need to be reduced, (2) the Tier 1 breakover would need to be reduced, (3) the rate differential between Tier 2 and Tier 3 would need to be increased, or (4) the Tier 2 breakover would need to be reduced. Each of these scenarios would necessitate “backing into” the adopted rate differentials between tiers and/or tier breakovers, which is contrary to the tiered rate design methodology adopted by the Commission in D.10-04-031.

- b. As explained in the response to part a above, in accordance with D.10-04-031 the rate differentials between tiers (i.e. the differentials between the Tier 1, Tier 2, and Tier 3 rates) are determined prior to determining the specific quantity rates. It would be nonsensical to set the Tier 1 and Tier 3 rates as a percentage of the SQR when the SQR is not equal to the Tier 2 rate.

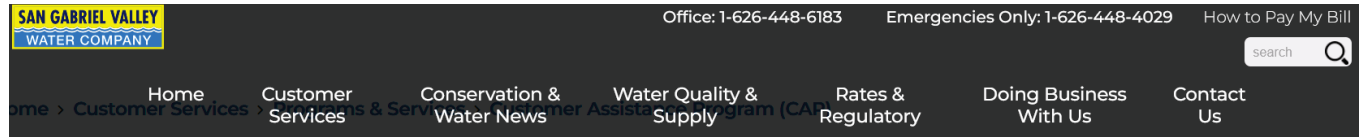
RESPONDING WITNESS: Reiker

REQUEST NO. 2:

\ASW-005 ATTACHMENT 1 - RO Model versus Water Audit Balances.xlsx\ states, “The percentages of “Unmetered & Unaccounted For” water on the American Water Works Association “AWWA” water audits use “Volume From Own Sources” totals that have been adjusted (within the AWWA spreadsheets) based on supplied meter error adjustments and accounted for water in SGVWC's storage tanks.”

- a. Are these the same “meter error adjustments” and “water stored in reservoirs” mentioned in San Gabriel's response to question 1C in DR ASW-005?
- b. Please provide a breakdown in MS Excel format of the “meter error adjustments” and “water stored in reservoirs” separated by year and district which reconciles the difference between the “volume from own sources (CCF)” from the RO Model and the Water Audit Balances given in columns B and E in Attachment 1.

Attachment 2-9: SGVWC Website,
<https://www.sgvwater.com/customer-services/program-services/customer-assistance-program-cap> / (5/16/2025)



Programs & Services

- How to Pay My Bill
- How to Apply For Service
- Shut Off For Repair
- Customer Assistance Program (CAP)
- Critical Care/Third Party Notification
- Water Audits
- Service Map
- Your Meter
- FAQs

Dig Alert

- Emergency Disaster Relief Program
- Safety & Emergency Preparedness
- Emergency Messaging
- Understanding Your New Water Bill
- Billing Information
- Disconnection Policy
- Privacy

Customer Assistance Program (CAP)

Low-Income Water Rate Information

The Customer Assistance Program (CAP) offers low-income-qualified customers a discount on their water bill. If your household qualifies for a discount on your energy bill under the electric or gas CARE program you may also qualify for a discount on your water bill. To apply for the CAP at your residence, please fill out and submit this [application](#) by hand-delivering, mailing, or emailing a scanned copy to the water company. The company must first verify and approve your completed and signed application. If approved, you will begin receiving the discount on your next bill. If your application and proof of eligibility is not approved, you will receive a letter from the water company explaining the reason for the denial. If you need help filling out the application, or would like more information about the program, visit or call your Customer Service Office.

CAP Application Forms

[English \(PDF 41 KB\)](#) | [Spanish \(PDF 60 KB\)](#)

Income requirements

(From June 1, 2025 to May 31, 2026)

Number of Persons Living in my Home	Total Combined Income From ALL Sources
1-2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300
7	\$97,3090
8	\$108,300

For each additional person, add \$11,000

What are the qualifications?

- Residential customers who receive water service through a 1" or smaller water meter.
- The water utility bill is in applicant's name.
- Applicant must provide verification of household income if requested. A utility bill showing that the applicant is participating in either a natural gas or electric utility discount program is acceptable verification.
- Applicant may not be claimed as a dependent on another person's tax return.
- Applicant or someone in the household participates in a qualifying Public Assistance Program or total annual income cannot exceed the amount shown on the above chart. Total income means the total combined gross household income of all persons living in my home.
- Applicant must re-apply each time they move.
- Applicant must renew their application every two years, or sooner, if requested.
- Applicant must notify the utility within 30 days after becoming ineligible for CAP.

Attachment 2-10: SGVWC's Response to Cal Advocates Data Request ASW-001 Q2.

SAN GABRIEL VALLEY WATER COMPANY

January 23, 2025

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: Response to Data Request No. ASW-001 (CARW)

Dear Mr. Aslam:

In response to your data request dated January 16, 2025, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:

Referring to Exhibit SG-4, page 52, lines 18 to 23, and SGVWC spreadsheet "GRCWorkpapers – 2025" tab "Tables2" lines 317 and 676, SGVWC proposes increasing the monthly CAP subsidy from \$10.35, as adopted in D.24-03-005, to \$12.00.

- a. Please provide, in Excel format with links and calculations intact, the full calculations showing how SGVWC calculated the proposed fixed CARW surcharges for the LA and Fontana Divisions. Include all linked files.

RESPONSE NO. 1

San Gabriel determined the proposed CAP discount of \$12.00 in each division through an iterative process in which the proposed discount shown in CELLS G101 and G223 of WORKPAPER RD1 were increased incrementally until the Test Year typical bill increases for non-CAP and CAP customers (shown in CELLS K26 and K29 of WORKPAPER RD1 for the L.A. County division and CELLS K150 and K153 of WORKPAPER RD1 for the Fontana division) were approximately equal. No other workpapers, calculations, or analyses were relied upon in determining the proposed CAP discounts.

RESPONDING WITNESS: Reiker

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REQUEST NO. 2:

Please provide an updated number of customers enrolled in CAP as of 1/1/2025.



RESPONSE NO. 2:

Los Angeles County Division: 21,632
Fontana Water Company Division: 25,073

RESPONDING WITNESS: Reiker

REQUEST NO. 3:

Referring to SGVWC spreadsheet "GRCWorkpapers – 2025" tab "RV1." Water sales from cells U86 and U214 are classified as "Recycled Water – Tariff" sales rather than "Residential – Single Family" sales, but they are included in the "Total Metered Water Sales" tab "RD1" Cells F119 and F242 used to calculate the "Cap Surcharge Per Ccf" Cells F122 and F245.



- a. Please provide a sample calculation, in Excel format, for "Cap Surcharge Per Ccf" along with support for all the values used in calculations and assumptions made by SGVWC.
- b. Do San Gabriel's CAP customers, defined as qualifying "Residential - Single Family" customers with 5/8, 3/4, or 1-inch meters, receive recycled water through their metered connection?
- c. Are the "Cap Surcharge Per Ccf" calculated using only potable water sales?

RESPONSE NO. 3:

- a. Please see VATTACHMENT 3.a.xlsx\.
- b. No.
- c. No. The CAP Surcharge per Ccf applies to all tariffed and metered water sales, including potable and recycled water sales. Therefore, the calculation of the CAP surcharge includes both potable and recycled tariffed water sales.

RESPONDING WITNESS: Reiker

REQUEST NO. 4:

Please fill out the Excel tables provided in "DR ASW-001 (CARW)-Question #4 Attachment 1" for historic CAP data.

RESPONSE NO. 4:

Please see VATTACHMENT 4.xlsx\.

Attachment 2-11: 2025 MWR Increase Memo 1-31-2025.

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January 31, 2025

To: ALL EMPLOYERS AND EMPLOYEES SUBJECT TO THE CITY OF LOS ANGELES
MINIMUM WAGE ORDINANCE

JULY 1, 2025 MINIMUM WAGE ORDINANCE WAGE RATE INCREASE

In accordance with Section 187.02(d) of the Los Angeles Municipal Code, the Office of Wage Standards hereby issues this notice. Section 187.02(d) of the Minimum Wage Ordinance provides that on July 1, 2022, and annually thereafter, the minimum wage will increase based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area, which is published by the Bureau of Labor Statistics.

The minimum wage rate, effective July 1, 2025, will increase by \$0.59 for a new minimum wage rate of \$17.87 per hour. This increase is applicable to Employees covered by the Minimum Wage Ordinance, specifically, those who perform at least two hours of work within the geographic boundaries of the City for an Employer and qualify as an Employee entitled to payment of a minimum wage from any Employer under the California minimum wage law, as provided under Section 1197 of the California Labor Code and wage orders published by the California Industrial Welfare Commission.

Covered Employers are required to post a notice, which includes the current minimum wage rate, in a conspicuous place at any workplace or job site where an Employee works pursuant to LAMC Section 188.03. The notice published by the Office of Wage Standards, which contains the required information, is available in 13 languages on the Wages LA website (wagesla.lacity.org) by clicking on the "Information & Documents" link on the home page. Please print and display the notice in a conspicuous location accessible to all affected employees.

Please be advised that the Los Angeles Municipal Code Section 188.03 states in part:

Every Employer shall post notices in English, Spanish, Chinese (Cantonese and Mandarin), Hindi, Vietnamese, Tagalog, Korean, Japanese, Thai, Armenian, Russian and Farsi, and any other language spoken by at least five percent of the Employees at the workplace or job site.

If you have any questions regarding the Minimum Wage Ordinance, you may contact the Office of Wage Standards at (213) 847-2670.

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

