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PRESS RELEASE

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ORA Urges CPUC to Cut Suburban's Rate Increase in Half

SAN FRANCISCO, June 24, 2014 – The Office of Ratepayer Advocates (ORA), the independent consumer advocate within the California Public Utilities Commission (CPUC), has issued its detailed analysis on Suburban Water Company's (Suburban) request to increase its customers' water rates by a total of \$14.86 million from 2015-2017. ORA finds that the CPUC should instead approve an estimated total increase of \$8.18 million for that period.

In February 2014, Suburban requested the CPUC approve a rate increase of nearly 13.4% beginning in 2015, with additional increases of 4.32% in 2016 and 3.51% in 2017. Suburban serves approximately 76,000 water service connections in the cities of San Jose Hills and Whittier/La Mirada. Suburban's request would increase water bills for an average residential customer by about \$10.28 and \$7.41 per month for the San Jose Hills and Whittier/La Mirada Service Areas, respectively.

ORA's in-depth analysis concluded that customer rates should increase by a lesser amount of about 5% beginning in January 2015, followed by increases of about 3% for 2016 and 4% for 2017. ORA reviewed Suburban's CPUC filing and found that its request to increase rates was unwarranted because Suburban has overestimated the amount of revenues that it needs to operate its service safely and reliably. ORA finds that the CPUC should approve decreased cost estimates in the areas of operations and administrative expenses, infrastructure, and forecast of water sales. ORA's recommendation would increase water bills for an average residential customer by approximately \$4.83 and \$2.63 per month for the San Jose Hills and Whittier/La Mirada Service Areas, respectively.

ORA supports Suburban's continued use of a conservation rate structure since it has been effective in reducing customer water usage, and Suburban is ahead of schedule to meet California's mandated goal of reducing water usage by 20% by 2020.



“Suburban only needs about half the money it has requested in order to serve its customers safely and reliably,” said Joe Como, ORA’s acting director. “The CPUC should approve ORA’s recommendation for smaller bill increases and not place an unnecessary rate burden on Suburban water customers.”

The five-commissioner CPUC panel is expected to rule on Suburban’s requests by the end of the 2014, after it has held evidentiary hearings before an Administrative Law Judge, scheduled for July 22–25, 2014 at the CPUC in San Francisco. A Public Participation Hearing is scheduled for 5pm on July 16, 2014 at the West Covina City Council Chambers.

For more details, please see ORA’s webpage on [Suburban](#).

For more information on ORA, please visit www.ora.ca.gov.