

**NOTICE OF PUBLIC PARTICIPATION HEARING:
SUBURBAN WATER SYSTEMS' REQUEST TO DECREASE WATER RATES FOR ITS
COST OF CAPITAL APPLICATION No.18-05-004**

Para más detalles en español, llame al (626) 543-2640 para el área de servicio de San Jose Hills, o al (562) 944-8219 para el área de servicio de Whittier/La Mirada. Para obtener una copia de este aviso en español visite nuestro sitio web en www.swwc.com/suburban/announcements/.

**Wednesday, August 22, 2018 • at 7:00 p.m.
Junipero Serra State Office Building – Carmel Room (Auditorium)
320 West 4th Street
Los Angeles, CA 90013**

The California Public Utilities Commission (CPUC) wants to hear from you. A Public Participation Hearing (PPH) has been scheduled at the date, time, and location noted above to receive your comments about Suburban Water Systems' (Suburban) Cost of Capital (CoC) application (A.18-05-004). A CPUC Administrative Law Judge (Judge) will preside at the PPH to listen to concerns, comments, and opinions on the proposed application. One or more Commissioners may attend, but no decisions will be reached at the hearing. All public comments from the PPH will be included in the formal record of this proceeding and become public record.

The hearing location is wheelchair accessible. If you need a language translator or special assistance, please contact the CPUC's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend the PPH, you may submit your comments via a letter or email to the PAO.

About the Application

On May 1, 2018, Suburban filed A.18-05-004 with the CPUC requesting authority to decrease its rate of return from the currently authorized 8.61% to 8.49% for the period of January 1, 2019 through December 31, 2021. Overall, the proposed changes to the cost of capital would decrease Suburban's currently pending general rate case total revenues by approximately \$91,712 (-0.1%) beginning January 1, 2019. While this application is requesting a decrease, Suburban believes it is sufficient enough to attract funding for water system investments. System investments will allow Suburban to meet its obligations and serve its customers.

The authorized cost of capital determines how much money Suburban is allowed to recover in rates as a return to creditors and shareholders. In this proceeding, the CPUC will determine a reasonable capital structure (financial plan), the cost of long-term debt (interest rate paid to lenders), and an appropriate rate of return on common equity (net income).

Customer Class	(Dollars in Thousands)		
	Approximate		
	Current Revenue	Proposed Decrease	
		\$	%
Residential	\$58,955.9	(\$64.3)	-0.1%
Business	\$16,246.2	(\$17.7)	-0.1%
Industrial	\$1,615.0	(\$1.8)	-0.1%
Public Authorities	\$3,433.5	(\$3.7)	-0.1%
Other Water Utilities for Resale	\$45.4	(\$0.0)	-0.1%
Construction Water Service	\$162.8	(\$0.2)	-0.1%
Private Fire Protection Service	\$1,267.6	(\$1.4)	-0.1%
Fire Hydrant Service on Private Property	\$193.2	(\$0.2)	-0.1%
Recycled Water	\$2,219.4	(\$2.4)	-0.1%
TOTAL	\$84,139.1	(\$91.7)	-0.1%

Impact of Suburban's Request on Typical Residential Bills

The table details how the request would change the water rates of a residential customer in your area with 3/4" meter and average consumption at 13 ccf. *Note: Your water bill may vary from this estimate due to credits and surcharges in effect.*

Service Area	Approximate			
	Current Bill	Proposed Decrease	New Proposed Bill	Proposed Decrease
San Jose Hills, Tariff Area 1	\$61.11	(\$0.06)	\$61.05	-0.10%
Whittier/ La Mirada, Tariff Area 2	\$59.77	(\$0.06)	\$59.71	-0.10%

For More Information

A copy of the application may be viewed at Suburban's offices:

San Jose Hills Service Area

2235 E. Garvey Ave., North, Suite A
West Covina, CA 91791
(626) 543-2640

Whittier/La Mirada Service Area

15088 Rosecrans Ave.
La Mirada, CA 90638
(562) 944-8219

Main Office

1325 N. Grand Ave., Ste. 100
Covina, CA 91724-3603
(626) 543-2500

The application may also be reviewed at the CPUC's Central Files Office by appointment. For more information, contact: aljcentralfilesid@cpuc.ca.gov or (415) 703-2045. A digital copy of the application may be reviewed on the CPUC's Docket Card webpage at <https://apps.cpuc.ca.gov/apex/f?p=401:1:0>; type the proceeding number, without dashes, in the Proceeding Number Search box, then click Enter/Search box.

The CPUC Process

This application has been assigned to a Judge who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings were held where utilities, consumer advocacy groups, and other entities that were given official status as parties, presented their testimony and were subject to cross-examination by other parties. Evidentiary hearings are open to the public, but only those who are parties may participate.

After considering all proposals and evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt, modify, or deny Suburban's request. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled Commission Voting Meeting.

The Office of Ratepayer Advocates (ORA) has reviewed this application on behalf of Suburban ratepayers. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at <http://www.ora.ca.gov/>.

Stay Informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribe.puc.cpuc.ca.gov/>. If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

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

Email: public.advisor@cpuc.ca.gov
Call: Toll free (866) 849-8390 or (415) 703-2074
TTY toll free (866) 836-7825 or TTY (415) 703-5282

Please reference **Suburban's CoC Application No. 18-05-004** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.