



## Town of Apple Valley NEWS RELEASE

Town of Apple Valley **FOR IMMEDIATE RELEASE**

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### **Town files protests to water rate case**

May 23, 2014 – On the heels of a request for more than a 30% increase in water rates over the next three years, Apple Valley Ranchos Water Company has now filed an “advice letter” with the California Public Utilities Commission (CPUC). The letter requests a temporary surcharge of 32 cents per 100 cubic feet, or 12.97% over the next 18 months for residential customers.

“The Town strongly objects to Ranchos’ efforts to request this surcharge outside of the general rate case already in process,” said Dennis Cron, assistant town manager for the Town of Apple Valley.

In protesting this latest move, the Town calls the request unjust, unreasonable and discriminatory.

“The letter was filed on May 6, nearly 6 weeks past the deadline for such an action,” said Cron. “And the biggest impact will be felt by customers on the lowest tier – those who use less water than others.”

The advice letter filed by Apple Valley Ranchos Water Company states the reason for the request as the “under-collection” of other revenues, and recovery of residual account balances remaining from 2010 and 2011 surcharges that have expired. The Town submitted an official protest to the request yesterday.

“We were extremely pleased at the showing of our citizens at the recent rate hearings, with 400 people showing up” said Mayor Art Bishop. “Now we want our citizens to know that we are not standing silently by, and will do everything we can to fight these rate increases.”

Records show that Apple Valley Ranchos has requested 112% in increases from 2003 – 2013, a 177% total factoring compounded interest. The CPUC has granted 71%, or 96% compounded. With no other change in consumption, and not adding in the changes to meter charges, the average consumer’s water bill has nearly doubled in that time.

Besides protesting the advice letter, the Town also recently filed testimony with the California Public Utilities Commission (CPUC) objecting to the general rate case. Besides opposing the proposed rate structure, the Town has requested changes to the billing structure and schedule.

The current tiered rates, where the rate per unit increases the more water is used, can penalize larger families, as larger consumers of water for year-round indoor use. In the current structure, only residential rates are tiered, whereas commercial users pay one rate regardless.

“Without demonstrating a difference in the cost of serving a home over a business, it is difficult to justify having customers pay a different amount for the same water service,” according to the testimony prepared by Scott Rubin, the Town’s consultant in the rate case protest.

The testimony also noted that bimonthly billing sends very poor price information to customers. High water usage in August, on an August/September bill, isn’t be received until October and paid in November. Similarly, a modest bill following light usage in April and May, makes it difficult to make an informed decision about water usage in June.

“This is a complicated process,” said Frank Robinson, town manager. “We want our citizens to know that we will be diligent as we work to protect their interests.”

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