

**NOTIFICATION OF PROPOSED RATE INCREASE APPLICATION FILING BY
SUBURBAN WATER SYSTEMS (SUBURBAN)
BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

On January 2, 2008, Suburban Water Systems (Suburban) filed a general rate case application, A.08-01-004 with the California Public Utilities Commission (CPUC) to increase water rates effective January 1, 2009 and January 1, 2010. The effect of the proposed increases on the various customer classes are shown below as follows:

Annualized Proposed Increases
(Dollars in Thousands)

Customer Class	January 1, 2009		January 1, 2010	
	\$	Percent	\$	Percent
Residential	4,885	12.94	1,265	2.96
Business	1,253	15.41	281	2.99
Industrial	187	17.10	39	3.03
Public Authorities	388	15.71	85	2.99
Other Water Utilities	2	9.39	1	2.90
Construction Water	10	11.33	3	2.94
Private Fire Protection	95	13.57	24	2.97
Hydrants on Private Property	2	13.58	.5	2.96

If the increases are approved by the CPUC as proposed, the impact on the average monthly residential customer's bill for 2,000 cubic feet per month for a 3/4-inch meter will be as follows:

	January 1, 2009	January 1, 2010
Whittier/La Mirada Service Area 2		
Amount of Increase	\$5.76	\$1.42
Percent of Increase	13.52%	2.93%
San Jose Hills Service Area 1		
Amount of Increase	\$4.14	\$1.38
Percent of Increase	9.81%	2.97%

In the application filing, Suburban asserts that the principal reason leading to this request is that at its present general metered rates, any annual increase in revenues resulting from customer growth or increased consumption will be more than offset by increases in expenses and rate of return, including costs related to capital expenditures. Suburban asserts that the current general metered rates will, with the passage of time, become unjustly and unreasonably low, and that the rates requested are just and reasonable, and reflect and pass through to customers only increased costs to the applicant for the services and commodities furnished by it. As part of its request, Suburban also proposes to change its rate structure for residential customers consistent with a settlement agreement between Suburban and the Division of Ratepayer Advocates. That settlement is currently pending approval by the CPUC.

CPUC Process

The Commission may hold formal evidentiary hearings at which the parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. After considering all evidence presented, the Commission will issue a decision. The Commission may approve expenditures that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

Public Comments

The CPUC welcomes your comments. If you wish to comment on Suburban's request or wish to participate in the hearings and want information about how to participate, you may write to the CPUC at the address below. The Public Advisor will give your letter to the Commissioners and it will become part of the formal correspondence file for this application.

Public Advisor's Office
California Public Utilities Commission
320 W. 4th Street, Room 500
Los Angeles, CA 90013
e-mail: public.advisor.la@cpuc.ca.gov

Further information about this application may be obtained by contacting Suburban Water Systems. A copy of Suburban's application may be inspected at the Commission offices or the business offices listed below.

Suburban Water Systems Service Area Offices
San Jose Hills Service Area
2235 E. Garvey Avenue North, Suite A
West Covina, CA 91791

Whittier/La Mirada Service Area
15088 Rosecrans Avenue
La Mirada, CA 90638