

November 15, 2004

Advice Letter No. 330

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby requests ministerial review of the following changes in tariff sheets applicable to its Los Angeles County division:

CPUC Sheet No.	Title	Schedule No.	Canceling CPUC Sheet No.
1639-W	General Metered Service	LA-1	1612-W
1640-W	General Metered Service (continued)	LA-1	1622-W
1641-W	Limited Irrigation Service	LA-3L	1614-W
1642-W	Private Fire Service	LA-4	1615-W
1643-W	Reclaimed Water Metered Service	LA-6	1616-W
1644-W	Reclaimed Water Metered Service (cont.)	LA-6	1624-W
1645-W	Construction and Tank Truck Service	LA-9C	1618-W
1646-W	Service to Tract Houses During Construction	LA-9CL	1619-W
1647-W	Table of Contents (continued)	N/A	1625-W
1648-W	Table of Contents	N/A	1626-W

An original and four copies of this advice letter are submitted in compliance with Ordering Paragraph No. 6 of Decision No. 02-10-058, dated October 24, 2002.

Purpose and Background

This filing is submitted in accordance with Ordering Paragraph No. 6 of Decision No. 02-10-058 ("D.02-10-058" or "Decision"), dated October 24, 2002, in Application No. 01-10-028 which authorizes San Gabriel to file an advice letter requesting an increase for Attrition Year 2005 as shown in Appendix B of the Decision. The increased rates set forth in the Decision were designed by the Commission to increase revenue by \$1,552,500 or 4.07% in 2005. For reasons stated below, San Gabriel hereby requests that revenues be increased by \$626,400 or 1.64%. The

proposed rate change would increase the monthly bill of a typical residential customer (5/8"x3/4" meter and 23 Ccf) by \$0.75 or 1.68% from \$44.47 to \$45.22. San Gabriel requests approval of this attrition increase effective on January 1, 2005.

Discussion

The present rate schedules in the Los Angeles County division became effective on November 2, 2004, pursuant to Advice Letter No. 326-A and Commission Resolution W-4505 which authorizes a temporary surcharge to amortize the balancing accounts. Prior to that, an attrition increase became effective on January 1, 2004, pursuant to D.02-10-058 and Advice Letter No. 325.

The following summary lists the recorded, authorized, adjusted authorized, and pro forma rates of return in San Gabriel's Los Angeles County division for the twelve months ended September 2004. The adjusted authorized and pro forma rates of return are calculated in accordance with guidelines provided by the Commission's Water Division staff.

Recorded	9.89%
Authorized	9.40%
Pro Forma	10.03%

Because the pro forma rate of return is higher than the authorized rate of return, San Gabriel is authorized to implement less than half (only 40.34%) of the authorized Attrition Increase.

The tariff schedules reflecting the Attrition Increase are attached hereto. San Gabriel has provided workpapers supporting the recorded and pro forma rates of return set forth herein, as well as the calculation of the proposed rates, to the Commission's Water Division staff for their review as required by the Decision.

In accordance with the requirements of Section III-G of General Order No. 96-A, this advice letter is being sent to the parties listed on the attached distribution list. No other parties have requested notification of tariff filings related to the Los Angeles County division. No further public notice is required because all public notices in connection with Application No. 01-10-028 have already been mailed to the customers or published in accordance with applicable law and Commission rules.

November 15, 2004

Summary

San Gabriel respectfully requests approval of the proposed rate increase to become effective January 1, 2005. Thank you for your assistance in processing this tariff filing.

San Gabriel Valley Water Company

Daniel A. Dell'Osa
Director, Rates and Revenue

c: Fred L. Curry, CPUC – Water Division
Daniel R. Paige, CPUC – ORA, Sacramento