

# SAN GABRIEL VALLEY WATER COMPANY

March 12, 2014

Advice Letter No. 432

U337W

## TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2263-W	General Metered Service (cont'd)	LA-1	2252-W
2264-W	General Metered Service Conservation Rates	LA-1C	2253-W
2265-W	Recycled Water Metered Service (cont'd)	LA-6	2254-W
2266-W	California Alternative Rates for Water (cont'd)	LA-CARW	2255-W
2267-W	Table of Contents (cont'd)	N/A	2256-W
2268-W	Table of Contents	N/A	2262-W

An original and four copies of this advice letter are submitted pursuant to General Order 96-B, Water Industry Rule 7.3.3(7), to amortize the \$1,800,788 undercollection in the California Alternative Rates for Water ("CARW") Memorandum Account as of December 31, 2013, through a temporary 12-month surcharge of \$0.1192 per Ccf. The surcharge will increase annual revenues from \$64,115,770 to \$65,916,558 or 2.8%. This request is made pursuant to Standard Practice U-27-W, Section D.39, which states:

*39. Reserve Account amortization for Class A utilities will be part of the General Rate Case or may be by advice letter when the account over or under collection exceeds 2%, at the utility's option.*

In accordance with Water Industry Rule 7.3.3(7) of General Order 96-B, **this filing is designated as Tier 3 and requires a resolution.** The enclosed tariff schedules will become effective upon a resolution by the Commission.

### **Background**

The current rate schedules in this division became effective on February 26, 2014 through Advice Letter No. 430-A.

San Gabriel maintains a low-income customer assistance program called the California Alternative Rates for Water program in its Los Angeles County division. This program implements the Commission's Water Action Plan objective to assist qualified low-income customers. San Gabriel's CARW program provides low-income assistance by offering qualified low-income customers with a meter size of 1" or smaller a 50% discount on the service charge. San Gabriel established the CARW Memorandum Account authorized by D.05-05-015 in A.03-04-025 to track the costs of the program against the estimates reflected in rates.

Decision 11-05-020 in Rulemaking 09-12-017 established a data sharing plan between regulated Class A water utilities and regulated energy utilities which resulted in a large increase in low-income customer participation and a subsequent rapid increase in the undercollection of the CARW Memorandum Account. This is the first request to amortize the balance in the CARW Memorandum Account for the Los Angeles County division.

### **Discussion**

Commission Decision 05-05-015 in Application 03-04-025 adopted San Gabriel's CARW program for both divisions. Ordering Paragraph No. 3 authorized San Gabriel to implement a CARW Memorandum Account for both divisions.

*3. San Gabriel is authorized to implement a CARW memorandum account as detailed in today's decision for both its Los Angeles and Fontana districts. This memorandum account will be audited for reasonableness at the next general rate case proceeding for each*

*district. At that time, we will determine the appropriate amortization schedule of this account.*

San Gabriel has furnished the Commission's Division of Water and Audits staff workpapers providing detailed support for the proposed surcharges. These workpapers show the computation of a surcharge of \$0.1192 per Ccf for twelve-months beginning on the effective date of the resolution. The new rates submitted with this advice letter raise the monthly bill of the average residential customer on Schedule LA-1 with a 5/8" x 3/4" meter using 14 Ccf by \$1.67 or 2.8% from \$57.45 to \$59.12 and customers on Schedule No. LA-1C by \$1.67 or 2.9% from \$55.57 to \$57.24.

The matters addressed in this advice letter are not now the subject of any formal filings including a formal complaint, nor action in any court of law.

#### **Notice of Rate Increase**

In accordance with General Rule 4.2 of General Order 96-B, San Gabriel will give its customers, at least 30 days' notice before the effective date of this advice letter, notice of the increase by bill insert (a draft of which is attached hereto in Section G). No other parties have requested notification of tariff filings.

In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will also post this advice letter on its website at [www.sgvwater.com](http://www.sgvwater.com).

Also, distribution of this advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1 of General Order No. 96-B.

#### **Protest and Responses**

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) San Gabriel did not properly serve or give notice of the advice letter;

March 12, 2014

- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which San Gabriel relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

San Gabriel Valley Water Company  
11142 Garvey Avenue  
El Monte, CA 91733  
Tel: (626) 448-6183  
FAX (626) 448-5530  
e-mail: [dadellosa@sgvwater.com](mailto:dadellosa@sgvwater.com)

March 12, 2014

Thank you for your assistance in processing this advice letter.

San Gabriel Valley Water Company



Daniel A. Dell'Osa  
Director of Rates and Revenue

cc: Bruce DeBerry, CPUC – Division of Water and Audits  
Hani Moussa, CPUC – Water Branch, ORA  
Danilo Sanchez, CPUC – Water Branch, ORA

**SCHEDULE NO. LA-1**  
**Los Angeles County Tariff Area**  
**GENERAL METERED SERVICE**  
*(continued)*

**RATES** (continued)Per Battery  
Per Month

For two 2-inch meters.....	\$ 335.00
For three 2-inch meters.....	505.00
For four 2-inch meters.....	673.00
For two 3-inch meters.....	631.00
For three 3-inch meters.....	946.00
For two 4-inch meters.....	1,050.00
For three 4-inch meters.....	1,576.00
For one 8-inch meter, one 2-inch meter.....	1,847.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortiz the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
3. A surcharge of \$0.1192 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 432 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
(N)  
(N)  
(N)

(To be inserted by utility)

Advice Letter No. 432

Decision No. \_\_\_\_\_

*Issued by*R. W. Nicholson

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**SCHEDULE NO. LA-1C**  
Los Angeles County Tariff Area  
**GENERAL METERED SERVICE - CONSERVATION RATES**

**APPLICABILITY**

Applicable to all metered Residential customers, excluding apartments, trailer parks, and any other facility in which Residential customers receive service through a master meter.

**TERRITORY**

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

**RATES**

Quantity Rates:

For the first 13 Ccf of water used, per 100 cu. ft. .... \$ 2.4833  
For all Ccf greater than 13 Ccf, per 100 Cu. Ft. .... \$ 2.8387

Per Meter  
Per Month

Service Charges:

For 5/8 x 3/4-inch meter ..... \$ 21.02  
For 3/4-inch meter ..... 31.52  
For 1-inch meter ..... 52.52  
For 1-1/2-inch meter ..... 105.06  
For 2-inch meter ..... 168.10  
For 3-inch meter ..... 315.16

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
3. A surcharge of \$0.1192 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 432 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
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**SCHEDULE NO. LA-6**  
**Los Angeles County Tariff Area**  
**RECYCLED WATER METERED SERVICE**  
*(continued)*

**RATES** – (continued)

	Per Battery <u>Per Month</u>
For two 2-inch meters.....	\$ 335.00
For three 2-inch meters.....	505.00
For four 2-inch meters.....	673.00
For two 3-inch meters.....	631.00
For three 3-inch meters.....	946.00
For two 4-inch meters.....	1,050.00
For three 4-inch meters.....	1,576.00
For one 8-inch meter, one 2-inch meter.....	1,847.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for reclaimed water used computed at the Quantity Rates.

**SPECIAL CONDITIONS**

1. The Quantity Rate is set at 85% of the Quantity Rate of Schedule No. LA-1.
2. The customer is responsible for compliance with all local, state, and federal rules and regulations that apply to the use of reclaimed water on the customer's premises.
3. The utility will supply only such reclaimed water at such pressure as may be available from time to time from the reclaimed water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
5. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
6. A surcharge of \$0.1192 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 432 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account.

(N)  
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(N)

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**SCHEDULE NO. LA-CARW**  
**Los Angeles County Tariff Area**  
**CALIFORNIA ALTERNATIVE RATES FOR WATER**  
*(continued)*

**SPECIAL CONDITIONS** (continued)

<u>No. of Persons</u> <u>In Household</u>	<u>Total Gross</u> <u>Annual Income</u>
6	\$63,180
7	\$71,220
8	\$79,260

For households with more than eight persons, add \$8,040 annually for each additional person residing in the household.

2. Application and Eligibility Declaration: An application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer's eligibility declaration will be required every two years and may be required on an annual basis. Customers are only eligible to receive service under this rate schedule at one residential location at any one time, and the rate applies only to the customer's permanent primary residence. The schedule is not applicable where, in the opinion of the Utility, either the accomodation or the occupancy is transitory.
3. Commencement of Rate: Eligible customers shall be billed on this schedule commencing no later than one billing period after receipt and approval of the customer's application by the Utility.
4. Verification: Information provided by the applicant is subject to verification by the Utility. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Utility, upon the request of the Utility, shall result in removal from this rate schedule.
5. Notice from Customer: It is the customer's responsibility to notify the Utility if there is a change in the customer's eligibility status.
6. Customers may be re-billed for periods of ineligibility under the applicable rate schedule.
7. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
8. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
9. A surcharge of \$0.1192 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 432 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
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*(continued)*

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Cancelling Revised  
Revised

Cal. P.U.C. Sheet No. 2268-WCal. P.U.C. Sheet No. 2262-W**TABLE OF CONTENTS**

The following listed tariff sheets contain all effective rates and rules affecting the rates and services of the utility, together with information relating thereto:

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Facilities Fees	FO-FF      1875-W      1876-W

(continued)

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