

# SAN GABRIEL VALLEY WATER COMPANY

November 2, 2016

Advice Letter No. 487

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>
2650-W	General Metered Service (cont'd)	LA-1	2640-W
2651-W	General Metered Service Conservation Rates	LA-1C	2641-W
2652-W	Recycled Water Metered Service (cont'd)	LA-6	2644-W
2653-W	Table of Contents (cont'd)	N/A	2648-W
2654-W	Table of Contents	N/A	2649-W

An original and four copies of this advice letter are submitted pursuant to General Order 96-B, Water Industry Rule 7.3.1(1), to amortize the \$2,231,517 undercollection in the California Alternative Rates for Water ("CARW") Balancing Account as of September 30, 2016, through a temporary 12-month surcharge of \$0.171 per Ccf. San Gabriel also requests to move the September 30, 2016 CARW balance approved for amortization to the Previously Authorized Balances Balancing Account (PABBA). The surcharge will increase annual revenues from \$72,398,232 to \$74,629,749 or 3.1%. This request is made pursuant to Standard Practice U-27-W, Section E.43, which states:

*43. 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 7.3.1(1) of General Order 96-B, this filing is designated as Tier 1 and rates become effective upon filing.

### **Background**

The current rate schedules in this division became effective on October 6, 2016 through Advice Letter No. 486-B.

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 a discount on the service charge for qualified low-income customers with a meter size of 1" or smaller. 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. Resolution W-5043, dated July 23, 2015, approved Advice Letter No. 453, re-designating the CARW memorandum account as a balancing account.

### **Discussion**

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 \$0.171 per Ccf for twelve months beginning on the effective date of this filing. 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 \$2.39 or 3.5% from \$65.70 to \$68.09 and customers on Schedule No. LA-1C by \$2.39 or 3.6% from \$63.82 to \$66.21.

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 Water Industry Rule 3.2 of General Order 96-B, as modified by Commission Resolution W-4664, San Gabriel will inform its customers of the increase by bill insert (a draft of which is provided with the workpapers) in the first bill that includes the increased rates. No other parties have requested notification of tariff filings related to the Los Angeles County division.

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. When submitting a written response or protest please include San Gabriel Valley Water Company's name and this advice letter number in the subject line. 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;
- (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. When submitting a written response or protest please include San Gabriel Valley Water Company's name and this advice letter number in the subject line. The address for mailing or delivering a protest is:

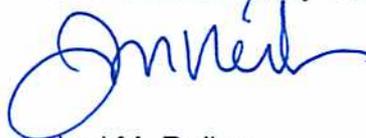
Tariff Unit, Division of Water and Audits, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

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: [jmreiker@sgvwater.com](mailto:jmreiker@sgvwater.com)

Thank you for your assistance in processing this advice letter.

San Gabriel Valley Water Company



Joel M. Reiker  
Vice President of Regulatory Affairs

**cc: Bruce DeBerry, CPUC – Division of Water and Audits**  
**Hani Moussa, CPUC – Water Branch, ORA**  
**Lisa Bilir, CPUC – Water Branch, ORA**

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

**RATES** (continued)

	<u>Per Battery</u> <u>Per Month</u>
For two 2-inch meters.....	\$ 321.00
For three 2-inch meters.....	485.00
For four 2-inch meters.....	645.00
For two 3-inch meters.....	605.00
For three 3-inch meters.....	907.00
For two 4-inch meters.....	1,006.00
For three 4-inch meters.....	1,511.00
For one 8-inch meter, one 2-inch meter.....	1,771.00

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 surcharge of \$0.1851/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.
3. A surcharge of \$0.2269 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 20, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
4. A surcharge of \$0.171 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of November 2, 2016 to amortize the net undercollection in the California Alternative Rates for Water Balancing Account. (N)  
(N)  
(N)

(To be inserted by utility)  
Advice Letter No. 487  
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. ....	\$ 2.6813
For all Ccf greater than 13 Ccf, per 100 Cu. Ft. ....	\$ 3.0379

**Per Meter  
Per Month**

**Service Charges:**

For 5/8 x 3/4-inch meter .....	\$ 20.15
For 3/4-inch meter .....	30.21
For 1-inch meter.....	50.35
For 1-1/2-inch meter .....	100.72
For 2-inch meter.....	161.15
For 3-inch meter.....	302.14

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.1851/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.
3. A surcharge of \$0.2269 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 20, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
4. A surcharge of \$0.171 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of November 2, 2016 to amortize the net undercollection in the California Alternative Rates for Water Balancing 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.....	\$ 321.00
For three 2-inch meters.....	485.00
For four 2-inch meters.....	645.00
For two 3-inch meters.....	605.00
For three 3-inch meters.....	907.00
For two 4-inch meters.....	1,006.00
For three 4-inch meters.....	1,511.00
For one 8-inch meter, one 2-inch meter.....	1,771.00

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 surcharge of \$0.2269 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 20, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
6. A surcharge of \$0.1851/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.
7. A surcharge of \$0.171 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of November 2, 2016 to amortize the net undercollection in the California Alternative Rates for Water Balancing Account. (N)  
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Revised

Cal. P.U.C. Sheet No. 2653-W

Cancelling Revised

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*(continued)*

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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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(continued)

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