

SAN GABRIEL VALLEY WATER COMPANY

August 18, 2010

Advice Letter No. 389

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
1965-W	General Metered Service (cont.)	LA-1	1878-W
1966-W	General Metered Service – Conservation Rates	LA-1C	1954-W
1967-W	CA Alternative Rates for Water (cont.)	LA-CARW	1923-W
1968-W	Table of Contents	N/A	1964-W
1969-W	Table of Contents (cont.)	N/A	1957-W

San Gabriel submits this advice letter to refund \$318,856 representing a tax benefit provided by the American Jobs Creation Act of 2004 (for years 2005 through 2008), to its customers in the Los Angeles County division, through a 12-month temporary surcredit of \$0.0180/Ccf,

In accordance with Water Industry Rule 7.3.1 of General Order 96-B, **this advice letter is designated Tier 1**. San Gabriel requests an effective date of August 18, 2010.

Purpose and Background

In Decision No. 08-06-022 in Application No. 07-07-003, the Commission adopted a partial settlement allowing the company to refund \$318,856 representing a ratemaking income tax benefit available to San Gabriel under the American Jobs Creation Act. According to the partial settlement, the refund would be applied to the quantity rate and would be refunded over a period of one year. Initially, the Commission staff recommended applying the entire amount of the tax benefit to reduce federal taxable income in the Test Year. San Gabriel proposed instead that the tax benefit be refunded to customers through a billing surcredit over a three-year period, because it was not related to the income tax calculation for the Test Year. The parties agreed to the adoption of a surcredit applied to the quantity rate for a 12-month period.

Discussion

The company has furnished the Commission's Water and Audits Division staff with two copies of workpapers providing detailed support for the proposed temporary rate decrease. As shown in those workpapers, the company computed the \$0.0180/Ccf surcredit by dividing the \$318,856 amount to be amortized, increased to \$323,125 with interest, by the adopted 2010-2011 sales of 17,946,124 Ccf.

The proposed surcredit will decrease the adopted annual \$62,454,845 revenues, by \$323,125 or 0.5%. The monthly bill of the typical residential customer on Schedule No. LA-1C (5/8" x 3/4" meter and 23 Ccf) will decrease by \$0.41 or 0.6% from \$68.22 to \$67.81. The monthly bill of the typical residential customer on Schedule No. LA-1 (5/8" x 3/4" meter and 23 Ccf) will decrease by \$0.41 or 0.6% from \$68.31 to \$67.90.

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

Notice and Service

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. No other parties have requested notification of tariff filings related to the Los Angeles County division.

August 18, 2010

Since this advice letter decreases rates, no other notice is required. In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will also post this advice letter to its website.

Very truly yours,



Daniel A. Dell'Osa
Director of Rates and Revenue

cc: Fred L. Curry, CPUC – Water and Audits Division
Hani Moussa, CPUC – Water Branch, DRA
Danilo Sanchez, CPUC – Water Branch, DRA

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

<u>RATES</u> (continued)	<u>Per Battery</u> <u>Per Month</u>
For two 2-inch meters	\$ 321.00
For three 2-inch meters	481.00
For four 2-inch meters	641.00
For two 3-inch meters	601.00
For three 3-inch meters	902.00
For two 4-inch meters	1,002.00
For three 4-inch meters	1,500.00
For one 8-inch meter, one 2-inch meter	1,760.00

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 reserve account surcredit of \$0.0180 per Ccf is to be applied to the quantity rates for a 12-month period beginning August 18, 2010 and ending on August 17, 2011. (N)
(N)

(To be inserted by utility)
Advice Letter No. 389
Decision No. 08-06-022

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. \$ 1.9658
For all Ccf greater than 13 Ccf, per 100 Cu. Ft. \$ 2.2607

	<u>Per Meter</u>
	<u>Per Month</u>
Service Charges:	
For 5/8 x 3/4-inch meter	\$ 20.04
For 3/4-inch meter.....	30.05
For 1-inch meter.....	50.10
For 1-1/2-inch meter	100.20
For 2-inch meter.....	160.30
For 3-inch meter.....	300.60

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(N)

(To be inserted by utility)

Issued by

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

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TITLE

Effective _____

Resolution No. _____

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

SPECIAL CONDITIONS (continued)

- For households with more than six persons, add \$7,600 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 reserve account surcredit of \$0.0180 per Ccf is to be applied to the quantity rates for a 12-month period beginning August 18, 2010 and ending August 17, 2011. (N)

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TABLE OF CONTENTS
(continued)

<u>Subject Matter of Sheet</u>	<u>Schedule Number</u>		<u>C.P.U.C. Sheet No.</u>		
<u>Rate Schedules</u>					
Los Angeles County Division					
General Metered Service - General	LA-1		1953-W	1965-W	(C)
General Metered Service - Conservation	LA-1C		1966-W		(C)
Private Fire Service	LA-4	1842-W	1089-W	1507-W	
Recycled Water Metered Service	LA-6		1945-W	1879-W	
Construction and Tank Truck Service	LA-9C		1845-W	1521-W	
Service to Tract Houses During Construction	LA-9CL		1846-W		
California Alternative Rates for Water	LA-CARW		1955-W	1967-W	(C)

(continued)

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