

SAN GABRIEL VALLEY WATER COMPANY

November 21, 2011

Advice Letter 409

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 and Fontana Water Company divisions:

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2092-W	General Metered Service (continued)	LA-1	2074-W
2093-W	General Metered Conservation Rates (continued)	LA-1C	N/A
2094-W	Recycled Water Service (continued)	LA-6	2078-W
2095-W	California Alternative Rates for Water (continued)	LA-CARW	2087-W
2096-W	General Metered Service (continued)	FO-1	2082-W
2097-W	General Metered Conservation Rates (continued)	FO-1C	2065-W
2098-W	California Alternative Rates for Water (continued)	FO-CARW	2084-W
2099-W	Table of Contents (continued)	N/A	2090-W
2100-W	Table of Contents	N/A	2091-W

An original and four copies of this advice letter are submitted in compliance with Ordering Paragraph No. 12 of D.11-11-018, dated November 10, 2011, in Application 10-07-019, which authorizes San Gabriel to recover from customers the difference between its authorized interim rates tracked in its Interim Rate Memorandum Account and the rates adopted in this decision for Test Year 2011-2012.

This advice letter proposes the recovery of balances in the Interim Rate Memorandum Account through a temporary 12-month \$0.2174/Ccf surcharge in the Los Angeles County Division and a temporary 6-month \$0.0274/Ccf surcharge in the Fontana Water Company Division, both effective January 1, 2012. In accordance with D.11-11-018, Ordering Paragraph No. 12, this is a Tier 2 advice letter.

Background

On July 16, 2010, San Gabriel filed General Rate Case Application No. 10-07-019 for its Los Angeles County Division and its General Division. On May 27, 2011, San Gabriel filed a motion for interim rate relief, followed by an amended motion for interim rate relief on May 31, 2011, because it became unlikely the Commission would issue a decision in time for the new rates to become effective on July 1, 2011, the first day of the test year.

On June 24, 2011, the assigned ALJ granted the motion for rate relief approving interim rates and granting authorization to establish a memorandum account (IRMA) for San Gabriel's Los Angeles Division. San Gabriel was ordered to file a tier 1 advice letter with the Commission within five days and on June 29, 2011, San Gabriel submitted Advice Letter No. 403-A, which was approved effective July 1, 2011.

On June 29, 2011, San Gabriel filed an additional motion seeking to modify the June 24 ruling granting interim rate relief to extend the rate relief to the Fontana Water Company Division. On August 17, 2011, the assigned ALJ granted the motion modifying the June 24, 2011 ruling.

On August 19, 2011, San Gabriel filed Advice Letter No. 406 seeking authorization to modify its Preliminary Statement to include Fontana Water Company division in the previously authorized Interim Rates Memorandum Account (IRMA). On August 31, 2011, the Commission granted implementation of interim rates and modification of the Preliminary Statement of Fontana Water Company division authorizing the IRMA. The IRMA tracks the difference between revenues billed under the interim rates and the revenues that would have been billed had the rates adopted by the Commission in A.10-07-019 become effective July 1, 2011. The interim rates were billed between July 1, 2011 and November 15, 2011, subject to refund and are to be adjusted upward or downward, consistent with the final rates adopted by the Commission in A.10-07-019.

Discussion

The present rates in the Los Angeles County and Fontana Water Company divisions became effective on November 15, 2011 by Advice Letter Nos. 407 and 408.

On November 10, 2011, the Commission adopted D.11-11-018 in Application No. 10-07-019. Ordering Paragraph No. 12 states:

San Gabriel shall file a Tier 2 advice letter within 10 days of the effective date of this decision to amortize rates, and collect from (or refund to) customers, the difference between its authorized interim rates tracked in its Interim Rate Memorandum Account and the rates adopted in this decision for Test Year 2011-2012.

In order to compute the revenue shortfall, San Gabriel used a billing analysis generator application to determine billing based on actual customer consumption data between 07/01/11 through 11/14/11 and projected consumption data from 11/15/11 through 12/15/11. This projection is necessary because actual consumption data will not be known until after the next cycle of meter readings is completed on December 15, 2011. This consumption data is processed through the billing analysis generator, initially using the current historical or base rates to generate the BASE Billing Results and then using the D.11-11-018 adopted rates to generate the ADOPTED Billing Results. The monthly revenues from this process for each division were then recorded in the IRMA, which applied interest at the 90-day commercial paper rate to the average monthly balances.

San Gabriel proposes to recover the revenue shortfall in the IRMA through separate temporary surcharges in each division. Uncollectibles and Franchise Fees are not reflected in the calculation of the surcharges, since they have already been accounted for in the Interim or base and Final Adopted rates. The \$3,195,089 IRMA balance for the Los Angeles County division is 5.0% of the adopted \$63,682,700 annual revenue requirement. Therefore, San Gabriel proposes a 12-month surcharge of \$0.2174/Ccf, based on adopted metered sales of 14,694,519 Ccf. The \$227,771 IRMA balance for the Fontana Water Company division is 0.4% of the adopted \$63,850,000 annual revenue requirement. Therefore, San Gabriel proposes a 6-month surcharge of \$0.0276/Ccf, based on 2010 actual metered sales of 16,490,242 Ccf (note: use of the adopted 18,749,547 Ccf to compute the surcharge would result in a significant under-recovery of the IRMA balance).

For the Los Angeles County division customers, the effect of the proposed surcharge for the typical monthly bill of the average residential customer (5/8" x 3/4" meter and 23 Ccf) is an increase of \$5.00 or 6.3% from \$79.25 to \$84.25.

November 21, 2011

For Fontana Water Company division customers, the effect of the implementation of interim rates increase the typical monthly bill of the average residential customer (5/8" x 3/4" meter and 23 Ccf) is an increase of \$0.63 or 0.9% from \$73.49 to \$74.13.

Distribution of this advice letter is being made to the attached service lists in accordance with Water Industry Rule 4.1 of General Order 96-B, and San Gabriel will post this advice letter to its websites in accordance with Water Industry Rule 3.3. No further public notice is required because all public notices in connection with Application No. 10-07-019 have already been made in accordance with applicable law and Commission rules.

San Gabriel requests that the attached proposed tariffs be authorized effective for service rendered on and after January 1, 2012.

Thank you for your assistance in processing this tariff filing.

San Gabriel Valley Water Company



Daniel A. Dell'Osa
Director of Rates and Revenue

cc: Bruce DeBerry, CPUC – Water 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)	Per Battery Per Month
For two 2-inch meters.....	\$ 337.00
For three 2-inch meters.....	506.00
For four 2-inch meters.....	674.00
For two 3-inch meters.....	632.00
For three 3-inch meters.....	948.00
For two 4-inch meters.....	1,053.00
For three 4-inch meters.....	1,580.00
For one 8-inch meter, one 2-inch meter.....	1,850.00

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 surcharge of \$0.0995 per Ccf is to be applied to the quantity rates for a 24-month period beginning July 25, 2011 and ending on July 24, 2013.
3. A surcharge of \$0.1531 per Ccf is to be applied to the quantity rates for a 12-month period beginning November 15, 2011 and ending on November 14, 2012 to amortize the Purchase Power Balancing Account.
4. A surcharge of \$0.2174 per Ccf is to be applied to the quantity rates for a 12-month period beginning January 1, 2012 and ending on December 31, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson
NAME

Date Filed _____

Decision No. 11-11-018

President
TITLE

Effective _____

Resolution No. _____

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

SPECIAL CONDITIONS (continued)

- 5. A surcharge of \$0.2174 per Ccf is to be applied to the quantity rates for a 12-month period beginning January 1, 2012 and ending on December 31, 2012 to amortize the Interim Rate Memorandum Account.

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. LA-6
 Los Angeles County Tariff Area
RECYCLED WATER METERED SERVICE
 (continued)

RATES – (continued)

	Per Battery Per Month
For two 2-inch meters.....	\$ 337.00
For three 2-inch meters.....	506.00
For four 2-inch meters.....	674.00
For two 3-inch meters.....	632.00
For three 3-inch meters.....	948.00
For two 4-inch meters.....	1,053.00
For three 4-inch meters.....	1,580.00
For one 8-inch meter, one 2-inch meter.....	1,850.00

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 reserve account surcharge of \$0.0995 per Ccf is to be applied to the quantity rates for a 24-month period beginning July 25, 2011 and ending on July 24, 2013.
6. A surcharge of \$0.1531 per Ccf is to be applied to the quantity rates for a 12-month period beginning November 15, 2011 and ending on November 14, 2012 to amortize the Purchase Power Balancing Account.
7. A surcharge of \$0.2174 per Ccf is to be applied to the quantity rates for a 12-month period beginning January 1, 2012 and ending on December 31, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

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 \$7,700 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 surcharge of \$0.0995 per Ccf is to be applied to the quantity rates for a 24-month period beginning July 25, 2011 and ending on July 24, 2013.
9. A surcharge of \$0.1531 per Ccf is to be applied to the quantity rates for a 12-month period beginning November 15, 2011 and ending on November 14, 2012 to amortize the Purchase Power Balancing Account.
10. A surcharge of \$0.2174 per Ccf is to be applied to the quantity rates for a 12-month period beginning January 1, 2012 and ending on December 31, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. FO-1
Fontana Water Company
GENERAL METERED SERVICE
(continued)

RATES (continued)

	<u>Per Battery</u> <u>Per Month</u>
For two 2-inch meters	\$ 307.00
For three 2-inch meters.....	460.00
For four 2-inch meters.....	613.00
For two 3-inch meters	575.00
For two 4-inch meters	958.00
For one 8-inch meter, two 2-inch meters.....	1,840.00
For two 8-inch meters	3,060.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added to the quantity charge 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 rate adjustment of \$0.0298 per Ccf for the adopted increase revenue requirements associated with the General Division is to be added to the quantity rates beginning November 15, 2011 and ending on the effective date of the rates from Application 11-07-005.
3. A surcharge of \$0.0276 per Ccf is to be applied to the quantity rates for a 6-month period beginning January 1, 2012 and ending on June 30, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Advice Letter No. 409
Decision No. 11-11-018

Issued by

R. W. Nicholson
NAME
President
TITLE

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

Date Filed _____
Effective _____
Resolution No. _____

SCHEDULE NO. FO-1C
Fontana Water Company
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 Fontana, Rancho Cucamonga, Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For the first 16 Ccf of water used, per 100 cu. ft..... \$ 2.3529
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 2.7057

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter \$ 15.85
For 3/4-inch meter 23.77
For 1-inch meter..... 39.62
For 1-1/2-inch meter 79.28
For 2-inch meter..... 126.81
For 3-inch meter..... 237.74

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. All bills are subject to a one-time surcharge of \$0.15 per customer. This charge offsets the intervenor compensation expenses incurred under Public Utilities Code §§ 1801-1812.
3. A surcharge of \$0.0276 per Ccf is to be applied to the quantity rates for a 6-month period beginning January 1, 2012 and ending on June 30, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. FO-CARW
Fontana Water Company
CALIFORNIA ALTERNATIVE RATES FOR WATER
(continued)

SPECIAL CONDITIONS (continued)

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 rate adjustment of \$0.0298 per Ccf for the adopted increase revenue requirements associated with the General Division is to be added to the quantity rates beginning November 15, 2011 and ending on the effective date of the rates from Application 11-07-005.
9. A surcharge of \$0.0276 per Ccf is to be applied to the quantity rates for a 6-month period beginning January 1, 2012 and ending on June 30, 2012 to amortize the Interim Rate Memorandum Account. (N)
|
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R.W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

Resolution No. _____

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	2073-W 2092-W (C)
General Metered Service - Conservation	LA-1C	2075-W 2093-W (C)
Private Fire Service	LA-4	2076-W 1089-W 1507-W
Recycled Water Metered Service	LA-6	2077-W 2094-W (C)
Construction and Tank Truck Service	LA-9C	2079-W 1521-W
Service to Tract Houses During Construction	LA-9CL	2080-W
California Alternative Rates for Water	LA-CARW	2081-W 2095-W (C)

(continued)

(To be inserted by utility)

Advice Letter No. 409
Decision No. 11-11-018

Issued by

R. W. Nicholson
NAME
President
TITLE

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

Date Filed _____
Effective _____
Resolution No. _____

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:

<u>Subject Matter of Sheet</u>	<u>C.P.U.C. Sheet No.</u>	
Title Page	1559-W	
Table of Contents	2100-W	2099-W (C)
	2032-W	1563-W
	1637-W	2029-W
Preliminary Statement	634-W, 390-W, 2088-W, 2024-W, 1901-W, 2025-W, 2089-W, 2071-W, 2060-W, 2061-W	
Service Area Maps:		
Fontana Water Company	1533-W	
Los Angeles County Division		
Service Area - East Portion	1183-W	
- South Portion	869-W	
- West Portion	1171-W	
Area Maps of Less Than 40 p.s.i.g.	871-W 691-W to 697-W	
<u>Rate Schedules</u>	<u>Schedule Number</u>	
All Tariff Areas		
Surcharge to Fund Public Utilities		
Commission Reimbursement Fee	AA-UF	1807-W
Fontana Water Company		
General Metered Service - General	FO-1	2063-W 2096-W (C)
General Metered Service - Conservation	FO-1C	2083-W 2097-W (C)
Private Fire Service	FO-4	2066-W 1087-W 1476-W
Construction and Tank Truck Service	FO-9C	2067-W 1516-W
Service to Tract Houses During		
Construction	FO-9CL	2068-W
California Alternative Rates For Water	FO-CARW	2069-W 2098-W (C)
Facilities Fees	FO-FF	1875-W 1876-W

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 409

R. W. Nicholson

Date Filed _____

Decision No. 11-11-018

NAME

Effective _____

President

TITLE

Resolution No. _____

DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 409

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

California-American Water Company
1033 B Ave. Suite 200
Coronado, CA 92118-3439

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

City of Industry Waterworks System
Post Office Box 3136
La Puente, CA 91744

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

Golden State Water Company
Attn: Ronald Moore, Regulatory Affairs
630 East Foothill Boulevard
San Dimas, CA 91773

City Clerk, City of La Puente
15900 East Main Street
La Puente, CA 91744

Suburban Water Systems
Attn: Bob Kelly
1211 East Center Court Drive
Covina, CA 91724-3603

La Puente Valley County Water District
112 North 1st Street
La Puente, CA 91744

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Montebello Water Department
1600 West Beverly Boulevard
Montebello, CA 90640

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

City of Monterey Park Water Department
320 West Newmark Avenue
Monterey Park, CA 91754

California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

City of Pico Rivera Water Department
6615 Passons Boulevard
Pico Rivera, CA 90660

Pico County Water District
Post Office Box 758
Pico Rivera, CA 90660-0758

DISTRIBUTION LIST
San Gabriel Valley Water Company
Fontana Water Company Division
Advice Letter No. 409

Kendall H. MacVey, Esq.
Best, Best & Krieger, LLP
3750 University Avenue
Riverside, CA 92501

Rialto Water Department
150 South Palm Avenue
Rialto, CA 92376

City of Colton Water Department
650 North La Cadena Drive
Colton, CA 92324

West Valley Water District
Post Office Box 920
Rialto, CA 92377

Cucamonga Valley Water District
Post Office Box 638
Rancho Cucamonga, CA 91730

Mr. Paul V. Fernandez
cutiepieandtubby@aol.com

Debbie Brazill
Deputy City Manager
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Chuck Hayes
Public Works Director
City of Fontana Public Service Department
16489 Orange Way
Fontana, CA 92335

Marvin T. Sawyer, District Counsel
Fontana Unified School District
9680 Citrus Avenue, Bldg. No. 4
Fontana, CA 92335

Kathleen Rollings-McDonald, Executive Director
Local Agency Formation Commission for
San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415

City of Ontario Water Department
303 East B Street
Ontario, CA 91764