

SAN GABRIEL VALLEY WATER COMPANY

April 9, 2014

Advice Letter 433

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby submits one original and four copies of the following proposed changes in tariff sheets applicable to its Los Angeles County division:

<u>CPUC</u> <u>Sheet No.</u>	<u>Title</u>	<u>Schedule</u> <u>No.</u>	<u>Canceling</u> <u>CPUC</u> <u>Sheet No.</u>
2269-W	List of Contracts and Deviations	N/A	2160-W
2270-W	Table of Contents (continued)	N/A	2161-W
2271-W	Table of Contents	N/A	2262-W

Purpose

This advice letter is submitted in accordance with General Rule 8.5.6 of General Order No. 96-B for the purpose of modifying San Gabriel's List of Contracts and Deviations to add a recycled water agreement with City of Montebello ("City"). Pursuant to this agreement, San Gabriel will provide recycled water to irrigate City's Grant Rea Park, located partially within San Gabriel's Los Angeles County Division service area. In accordance with Water Industry Rule 7.3.1.(9) (service to a government agency), **this advice letter is recommended as Tier 1 but will require a Commission resolution for approval.**

Background

San Gabriel currently provides recycled water service in its Los Angeles County division both under a recycled water tariff (Schedule No. LA-6) and under several contracts previously approved by the Commission.

On March 13, 2014, San Gabriel and the City of Montebello ("City") entered into the *Agreement For Recycled Water Service to Grant Rea Park* (the "Agreement", appended hereto as **ATTACHMENT A**) for the purpose of providing City with recycled water service to irrigate landscaping at Grant Rea Park, which the City is currently irrigating with drinking water

(approximately 60 AF/year or 2,178 Ccf/month). Thus, this Agreement conserves a significant quantity of potable drinking water, reduces reliance on imported water, and advances Governor Brown's goal of a 20% reduction in potable water use in response to the recently declared Statewide drought

The Agreement provides that San Gabriel will deliver, through a single metered connection, recycled water at a quantity rate equal to seventy percent (70%) of the general metered rate applicable in its Los Angeles County division (attached hereto as **ATTACHMENT B**) plus the monthly service charges set forth therein. In consideration of the City's long-term commitment to use recycled water and the significant quantity of local drinking water supplies thereby conserved, the contract rate for recycled water delivered is less than San Gabriel's recycled water tariff Schedule LA-6 which is 85% of the Quantity Rate charged by San Gabriel for general metered service (i.e., potable water), attached hereto as **ATTACHMENT C**. The Agreement has an initial term of 10 years.

Before recycled water can be delivered to Grant Rea Park, the City requested and San Gabriel agreed to install one metered recycled water connection, for which the City will fully reimburse San Gabriel for this work not to exceed \$30,000 unless written authorization is provided by the City. The contract rate also provides City with an economic incentive to incur the cost of this recycled water connection, construction of which is anticipated to be completed by June 2014.

In addition to conserving a supply of potable water resulting from San Gabriel's service of recycled water to City, existing San Gabriel customers will benefit from the revenues generated under the Agreement. With a 2-inch metered connection, City will pay a service charge of \$168.10 each month under current rates. City also will receive water service from San Gabriel for potable water needs at the park pursuant to San Gabriel's general metered water service tariff schedule.

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. Since this advice letter does not increase rates or withdraw service, no other notice is required. In accordance with

Water Industry Rule 4.3 of General Order 96-B, San Gabriel will also post this advice letter to its website.

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;
- (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;
- (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 relitigating a prior order of the Commission.

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

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

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

San Gabriel Valley Water Company
Director, Rates and Revenue
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626)448-5530 or
E-mail dadellosa@sqvwater.com

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

April 9, 2014

Replies: San Gabriel shall reply to each protest and may reply to any response. Each reply must be received by the Water Division within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact me at (626) 774-2251.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel Dell'Osa". The signature is fluid and cursive, with a long horizontal stroke at the beginning and a large loop at the end.

Daniel A. Dell'Osa
Director of Rates and Revenue

cc: James Boothe, CPUC – Water and Audits Division
Hani Moussa, CPUC – Water Branch, ORA
Danilo Sanchez, CPUC – Water Branch, ORA
City of Montebello

LIST OF CONTRACTS AND DEVIATIONS

Name & Location of Customer	Type or Class of Service	Execution and Expiration Date	Commission Authorization Number and Date	Most Comparable Regular Tariff	
				Schedule Number	Contract Differences
1. Norman's Nursery	Recycled Water	02/28/94	W-3882 10/12/94	N/A	N/A
2. LA Sanchez Nursery	Recycled Water	5/24/11	06/27/11	N/A	N/A
3. Cemex USA Construction, Inc	Non-Potable Water	11/22/00	01/24/01	N/A	N/A
4. Rose Hills	Recycled Water	05/30/02 06/30/17	09/11/02	N/A	N/A
5. County of Los Angeles Department of Parks and Recreation Amendment No. 1	Recycled Water	06/27/06 06/30/17 Amended 3/2/10	AL346 11/15/06 AL388	N/A	N/A
6. City of Fontana	Recycled Water	04/26/11	D.12-06-002	N/A	N/A
7. City of Montebello	Recycled Water	03/13/14 03/13/24	W-____	N/A	N/A (N) (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 433

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

TABLE OF CONTENTS

(continued)

<u>Subject Matter of Sheet</u>	<u>C.P.U.C. Sheet No.</u>	
List of Contracts and Deviations	2269-W	(C)
Rule Nos.		
1. Definition	974-W	975-W
2. Description of Service	720-W	
3. Application for Service	394-W	1747-W
4. Contracts	395-W	
5. Special Information Required on Forms	1307-W to 1309-W	
6. Establishment and Re-establishment of Credit	398-W	
7. Deposits	749-W	709-W
8. Notices	1310-W	1311-W
9. Rendering and Payment of Bills	402-W 403-W	1849-W
10. Disputed Bills	980-W	981-W
11. Discontinuance and Restoration of Service	1312-W to 1317-W	
	1850-W	1319-W
12. Information Available to Public	1560-W	1561-W
13. Temporary Service	411-W	412-W
14. Continuity of Service	413-W	
14.1 Water Conservation and Rationing Plan	1857-W to 1861-W	
15. Main Externsions	968-W 899-W	900-W
	1240-W 902-W	903-W
	1241-W 1242-W	906-W 907-W
	969-W 909-W	970-W 1552-W
16. Service Connections, Meters and Customer's Facilities	424-W 1243-W	930-W
	1244-W 1208-W	1209-W
	1210-W	1211-W
17. Standards from Measurement of Service	971-W	
18. Meter Tests and Adjustment of Bills for Meter Error	432-W 433-W	434-W
19. Service to Separate Premises and Multiple Units, and Resale of Water	1006-W	1007-W
20. Water Conservation	782-W	

(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:

<u>Subject Matter of Sheet</u>	<u>C.P.U.C. Sheet No.</u>
Title Page	1559-W
Table of Contents	2271-W 2256-W (C) 2261-W 1563-W (C) 1637-W 2205-W
Preliminary Statement	634-W, 390-W, 2241-W, 2229-W, 2108-W, 2230-W, 2249-W, 2060-W, 2061-W, 2168-W, 2170-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 2220-W 2258-W*
General Metered Service - Conservation	FO-1C 2259-W*
Private Fire Service	FO-4 2223-W 1087-W 1476-W
Recycled Water Metered Service	FO-6 2224-W 2260-W*
Construction and Tank Truck Service	FO-9C 2226-W 1516-W
Service to Tract Houses During	
Construction	FO-9CL 2227-W
California Alternative Rates For Water	FO-CARW 2228-W 2261-W*
Facilities Fees	FO-FF 1875-W 1876-W

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