

SAN GABRIEL VALLEY WATER COMPANY

August 31, 2017

Advice Letter No. 502

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>
2738-W	General Metered Service (cont'd)	LA-1	2733-W
2739-W	General Metered Service Conservation Rates	LA-1C	2734-W
2740-W	Recycled Water Metered Service (cont'd)	LA-6	2735-W
2741-W	California Alternative Rates for Water (cont'd)	LA-CARW	2636-W
2742-W	Table of Contents (cont'd)	N/A	2736-W
2743-W	Table of Contents	N/A	2737-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 refund the net overcollection in the Conservation Program Balancing Account as of June 30, 2017, through a temporary 12-month surcredit of \$0.0216 per Ccf. The net balance proposed to be refunded is \$262,653 or 0.4% decrease of the adopted revenue requirement.

In accordance with Water Industry Rule 7.3.1(5) of General Order 96-B, **this filing is designated as Tier 1 and San Gabriel requests that the proposed rates become effective September 20, 2017** to coincide with the expiration of a surcharge currently in effect and the beginning of a new surcharge from Advice Letter No. 501.

Background

The current rate schedules in this division became effective on July 1, 2017 through Advice Letter No. 497.

San Gabriel conducts a number of Commission authorized conservation programs throughout the Los Angeles County division dedicated to conserving water resources. In Decision ("D.") 11-11-018, San Gabriel was authorized to maintain a Conservation Program Balancing Account to track the actual versus authorized conservation program expenditures over the general rate case ("GRC") cycle so that any unspent funds collected through rates can be returned to ratepayers. As of June 30, 2017, the end of the prior GRC cycle, the overcollected balance was \$262,653. By this advice letter San Gabriel proposes to return this overcollection to ratepayers in the form of a surcredit of \$0.0216 per Ccf for twelve months beginning September 20, 2017.

Discussion

In D.11-11-018 in Application No. 10-07-019, Appendix E, Settlement Section II.E.2 states:

2. *San Gabriel will track its authorized expenses in a one-way balancing account subject to refund so that any unspent funds will be refunded to the ratepayers. Within 60 days after July 1, 2014 or the effective date of new rates under the 2013 GRC, whichever is later, San Gabriel shall file an advice letter with the Commission demonstrating its revenues collected, its costs, and the over-collection, if any. San Gabriel shall include a methodology for implementing the refund, if any. This balancing account is subject to Standard Practice U-27-W.*

The Conservation Program Balancing Account was authorized in Advice Letter No. 453 by Resolution W-5043 and Preliminary Statement Paragraph J1 effective July 23, 2015. The Conservation Program Balancing Account was addressed again in A.16-01-002, which culminated in D.17-06-008 dated June 15, 2017. Section III.J.4 of the settlement agreement approved in D.17-06-008 states:

4. *The Parties agree to retain the existing procedure, refunding any positive balance remaining as of the effective date of GRC rates.*

In this advice letter, San Gabriel proposes to refund the positive balance remaining in the Conservation Program Balancing Account as of June 30, 2017.

San Gabriel has furnished the Commission's Water Division staff workpapers providing detailed support for the proposed surcredit. These workpapers show the computation of a surcredit of \$0.0216 per Ccf for twelve-months beginning on the effective date of September 20, 2017. The impact of this refund causes a decrease in the revenue requirement from \$72,461,851 to \$72,199,198 a decrease of \$262,653 or -0.4%. The new rates submitted with this advice letter will lower the monthly bill of the average non-CARW residential customer on Schedule LA-1 with a 5/8" x 3/4" meter using 14 Ccf by -\$0.30 or -0.4% from \$76.63 to \$76.34 and on Schedule No. LA-1C by -\$0.30 or -0.4% from \$75.17 to \$74.87.

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 3.3 of General Order 96-B, San Gabriel will also post this advice letter on its website at www.sgvwater.com. 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.

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

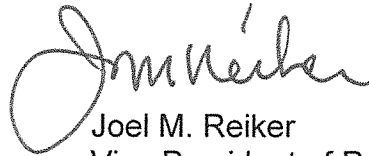
On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to San Gabriel, addressed to:

San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733
Tel: (626) 448-6183

August 31, 2017

FAX (626) 448-5530
e-mail: jmreiker@sgvwater.com

Thank you for your assistance in processing this advice letter.

A handwritten signature in black ink, appearing to read "Joel M. Reiker". The signature is fluid and cursive, with a large initial "J" and "R".

Joel M. Reiker
Vice President of Regulatory Affairs

cc: James Boothe, CPUC – Water Division
Hani Moussa, CPUC – Water Branch, ORA
Richard Smith, CPUC – Water Branch, ORA

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

<u>RATES</u> (continued)	Per Battery <u>Per Month</u>
For two 2-inch meters.....	\$ 359.00
For three 2-inch meters.....	539.00
For four 2-inch meters.....	718.00
For two 3-inch meters.....	673.00
For three 3-inch meters.....	1,010.00
For two 4-inch meters.....	1,122.00
For three 4-inch meters.....	1,680.00
For one 8-inch meter, one 2-inch meter.....	1,970.00

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 \$0.2128/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 \$0.3388 per Ccf is to be applied to the quantity rates of only non-CARW customers for twelve months beginning on the effective date of September 20, 2017 to amortize the net undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
4. A surcharge of \$0.0048 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
5. A surcredit of \$0.0216 per Ccf is to be applied to the quantity rates for twelve months effective September 20, 2017 to amortize the net overcollection in the Conservation Program Balancing Account. (N)
(N)
(N)

(To be inserted by utility)
Advice Letter No. 502

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.	\$ 3.1780
For all Ccf greater than 13 Ccf, per 100 Cu. Ft.	\$ 3.6375

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 22.43
For 3/4-inch meter	33.65
For 1-inch meter.....	56.09
For 1-1/2-inch meter	112.17
For 2-inch meter.....	179.50
For 3-inch meter.....	336.50

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2128/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 \$0.3388 per Ccf is to be applied to the quantity rates of only non-CARW customers for twelve months beginning on the effective date of September 20, 2017 to amortize the net undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
4. A surcharge of \$0.0048 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
5. A surcredit of \$0.0216 per Ccf is to be applied to the quantity rates for twelve months effective September 20, 2017 to amortize the net overcollection in the Conservation Program Balancing Account. (N)

(To be inserted by utility)
Advice Letter No. 502

Issued by
R. W. Nicholson
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
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.....	\$	359.00
For three 2-inch meters.....		539.00
For four 2-inch meters.....		718.00
For two 3-inch meters.....		673.00
For three 3-inch meters.....		1,010.00
For two 4-inch meters.....		1,122.00
For three 4-inch meters.....		1,680.00
For one 8-inch meter, one 2-inch meter.....		1,970.00

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 \$0.3388 per Ccf is to be applied to the quantity rates of only non-CARW customers for twelve months beginning on the effective date of September 20, 2017 to amortize the net undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
6. A surcharge of \$0.2128/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 \$0.0048 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
8. A surcredit of \$0.0216 per Ccf is to be applied to the quantity rates for twelve months effective September 20, 2017 to amortize the net overcollection in the Conservation Program Balancing Account. (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 502

R. W. Nicholson
NAME

Date Filed _____

Decision No. _____

President
TITLE

Effective _____

Resolution No. _____

SCHEDULE NO. LA-CARW
Los Angeles County Tariff Area
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 surcharge of \$0.0048 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account. (N)
(N)
- 9. A surcredit of \$0.0216 per Ccf is to be applied to the quantity rates for twelve months effective September 20, 2017 to amortize the net overcollection in the Conservation Program Balancing Account. (N)
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 502

R. W. Nicholson
NAME

Date Filed _____

Decision No. _____

President
TITLE

Effective _____

Resolution No. W-5113

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	2721-W	2738-W	(T)
General Metered Service - Conservation	LA-1C	2739-W		(T)
Private Fire Service	LA-4	2695-W	1089-W 1507-W	
Recycled Water Metered Service	LA-6	2723-W	2740-W	(T)
Construction Service	LA-9	2698-W	2699-W	
California Alternative Rates for Water	LA-CARW	2700-W	2741-W	(T)

(continued)

(To be inserted by utility)
 Advice Letter No. 502
 Decision No. _____

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	2743-W, 2742-W	(T)
	2600-W, 1563-W	
	1637-W, 2687-W	
Preliminary Statement	634-W, 390-W, 2389-W to 2392-W, 2724-W, 2712-W, 2395-W, 2518-W, 2397-W to 2398-W, 2713-W, 2401-W, 2714-W to 2718-W, 2407-W, 2409-W, 2464-W, 2410-W, 2412-W, 2530-W, 2668-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	2690-W	
Area Maps of Less Than 40 p.s.i.g.	871-W 691-W to 697-W	
	<u>Schedule Number</u>	
<u>Rate Schedules</u>		
All Tariff Areas		
Surcharge to Fund Public Utilities		
Commission Reimbursement Fee	AA-UF	2655-W
Stages Water Shortage Surcharges and Penalties	14.1	2580-W, 2482-W to 2484-W, 2581-W
Fontana Water Company		
General Metered Service - General	FO-1	2701-W, 2728-W
General Metered Service - Conservation	FO-1C	2729-W
Private Fire Service	FO-4	2704-W, 1087-W, 1476-W
Recycled Water Metered Service	FO-6	2705-W, 2730-W
Construction Service	FO-9	2707-W, 2708-W
California Alternative Rates For Water		
Facilities Fees	FO-CARW FO-FF	2709-W, 2631-W 2710-W, 1876-W

(continued)

(To be inserted by utility)
 Advice Letter No. 502
 Decision No. _____

Issued by
R. W. Nicholson
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed _____
 Effective _____
 Resolution No. _____