

SAN GABRIEL VALLEY WATER COMPANY

May 14, 2009

Advice Letter No. 372

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 changes in 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>
1885-W	General Metered Service	LA-1	1839-W
1886-W	California Alternative Rate for Water	LA-CARW	1841-W
1887-W	Reclaimed Water Metered Service	LA-6	1843-W
1888-W	Table of Contents (continued)	N/A	1881-W
1889-W	Table of Contents	N/A	1884-W

This **expense offset** filing increases revenues in its Los Angeles County division by \$4,869,352 or 9.4% to offset increases in water costs and groundwater pumping assessments. In accordance with Water Industry Rule 7.3 as modified by Resolution W-4664 and Water Industry Rule 8.4 of General Order 96-B, **this filing is designated Tier 1** and the enclosed rates are effective immediately.

Purpose and Background

Water supplies for San Gabriel's Los Angeles County division come mainly from the Main San Gabriel Groundwater Basin and to a lesser extent from the Central Basin Groundwater Basin. In the Main San Gabriel Basin, Watermaster has increased the Replacement Water Assessment from \$251.90 to \$450.00 per acre foot (AF), the Watermaster Assessment from \$7.50 to \$10.00/AF, and the In-Lieu Assessment from \$1.50 to \$5.05. As a direct result, the costs of leased water and recycled water have also increased. Also, the Main San Gabriel Association Assessment has been increased from

\$0.40/AF to \$0.42/AF. In the Central Basin, the Central Basin Municipal Water District has increased its Purchased Water charge for treated MWD water from \$557.00 to \$635.00/AF and its Recycled Water rate from \$386.00 to \$444.00/AF. The Water Replenishment District of Southern California has increased its Replenishment Assessment from \$149.00 to \$181.85/AF of groundwater produced. The Central Basin Association Assessment has been reduced from \$0.70/AF to \$0.50/AF.

The water supply costs and assessments currently reflected in rates were adopted in D.08-06-022 in A.07-07-003. The present rate schedules in this division became effective on February 23, 2009 as a result of Advice Letter 370.

The impact of these changes to water costs and assessments increases the adopted expense from \$6,953,115 to \$11,771,341 and increases the previously adopted TY 2008-2009 revenue requirement of \$51,948,700 by \$4,869,352 or 9.4% to \$56,818,052. The new rates submitted with this advice letter raise the monthly bill of the typical residential customer (5/8" x 3/4" meter and 23 Ccf) by \$5.70 or 10.2% from \$56.05 to \$61.75. San Gabriel has furnished the Commission's Water and Audits Division staff with two copies of workpapers providing detailed support for the proposed increase.

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 of Rate Increase

In accordance with Water Industry Rule 3.1 of General Order 96-B, San Gabriel will inform its customers of the increase by publishing a notice (a draft of which is attached hereto) in a local newspaper of general circulation. 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 to its website. Finally, 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.

May 14, 2009

San Gabriel Valley Water Company

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