

# SAN GABRIEL VALLEY WATER COMPANY

August 15, 2014

Advice Letter No. 432-A

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<br/>Sheet No.</u> | <u>Title</u>                               | <u>Schedule<br/>No.</u> | <u>Canceling<br/>CPUC<br/>Sheet No.</u> |
|---------------------------|--|-------------------------|---|
| 2263-W                    | General Metered Service (cont'd)           | LA-1                    | 2252-W                                  |
| 2264-W                    | General Metered Service Conservation Rates | LA-1C                   | 2253-W                                  |
| 2265-W                    | Recycled Water Metered Service (cont'd)    | LA-6                    | 2254-W                                  |
| 2267-W                    | Table of Contents (cont'd)                 | N/A                     | 2281-W                                  |
| 2268-W                    | Table of Contents                          | N/A                     | 2337-W                                  |

An original and four copies of this supplemental advice letter are submitted pursuant to Resolution W-4987 to amortize the \$1,800,788 undercollection in the California Alternative Rates for Water ("CARW") Memorandum Account as of December 31, 2013, through a temporary 12-month surcharge of \$0.1308 per Ccf applicable only to non-CARW customers. The surcharge will increase annual revenues from \$64,115,770 to \$65,916,558 or 2.8%. In accordance with Water Industry Rule 7.3.1(3) of General Order 96-B, this filing is designated as Tier 1. In accordance with Resolution W-4987, the enclosed tariff schedules will become effective on August 20, 2014.

**Discussion**

The current rate schedules in this division became effective on February 26, 2014 through Advice Letter No. 430-A.

San Gabriel maintains a low-income customer assistance program called the California Alternative Rates for Water program in its Los Angeles County division. This program implements the Commission's Water Action Plan objective to assist qualified low-income customers. San Gabriel's CARW program provides low-income assistance by offering qualified low-income customers with a meter size of 1" or smaller a 50% discount on the service charge. San Gabriel established the CARW Memorandum Account authorized by D.05-05-015 in A.03-04-025 to track the costs of the program against the estimates reflected in rates. Ordering Paragraph No. 3 states:

- 3. San Gabriel is authorized to implement a CARW memorandum account as detailed in today's decision for both its Los Angeles and Fontana districts. This memorandum account will be audited for reasonableness at the next general rate case proceeding for each district. At that time, we will determine the appropriate amortization schedule of this account.*

San Gabriel filed Advice Letter No. 432 on March 12, 2014, and the Commission issued Resolution W-4987 on August 14, 2014, ordering:

- 1. San Gabriel Valley Water Company is authorized to amortize the December 31, 2013 under collected balance in its California Alternate Rates for Water memorandum Account of \$1,800,788 through a 12-month surcharge of \$0.1308 per hundred cubic feet. The attached tariff sheets in Appendix A to this Resolution are approved.*
- 2. San Gabriel Valley Water Company shall file within five days of the effective date of this Resolution a supplement to Advice Letter 432 consistent with the tariff sheets attached in Appendix A to this Resolution. The tariff sheets shall be effective 5 days following the submittal of the supplement to Advice Letter 432.*

August 15, 2014

There are no workpapers associated with this supplemental advice letter. The new rates submitted with this advice letter raise the monthly bill of the average residential customer on Schedule LA-1 with a 5/8" x 3/4" meter using 14 Ccf by \$1.83 or 3.2% from \$57.45 to \$59.28 and customers on Schedule No. LA-1C by \$1.83 or 3.3% from \$55.57 to \$57.40.

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 and Service**

Distribution of this supplemental 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 is a compliance filing, no other notice is required. In accordance with Water Division Rule 3.3 of General Order 96-B, San Gabriel will also post this supplemental advice letter to its website.

Thank you for promptly processing this supplemental advice letter.

San Gabriel Valley Water Company



Daniel A. Dell'Osa  
Director of Rates and Revenue

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

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

| <u>RATES</u> (continued)                    | <u>Per Battery</u><br><u>Per Month</u> |
|---|--|
| For two 2-inch meters.....                  | \$ 335.00                              |
| For three 2-inch meters.....                | 505.00                                 |
| For four 2-inch meters.....                 | 673.00                                 |
| For two 3-inch meters.....                  | 631.00                                 |
| For three 3-inch meters.....                | 946.00                                 |
| For two 4-inch meters.....                  | 1,050.00                               |
| For three 4-inch meters.....                | 1,576.00                               |
| For one 8-inch meter, one 2-inch meter..... | 1,847.00                               |

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 surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on February 26, 2014 to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA). (T)
3. A surcharge of \$0.1308 per Ccf is to be applied to the quantity rates for a 12-month period beginning on August 20, 2014 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
(N)  
(N)

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 432-A

R. W. Nicholson  
NAME

Date Filed \_\_\_\_\_

Decision No. W-4987

President  
TITLE

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. .... \$ 2.4833  
For all Ccf greater than 13 Ccf, per 100 Cu. Ft. .... \$ 2.8387

**Service Charges:**

|                                | <u>Per Meter</u><br><u>Per Month</u> |
|--------------------------------|--------------------------------------|
| For 5/8 x 3/4-inch meter ..... | \$ 21.02                             |
| For 3/4-inch meter .....       | 31.52                                |
| For 1-inch meter.....          | 52.52                                |
| For 1-1/2-inch meter.....      | 105.06                               |
| For 2-inch meter.....          | 168.10                               |
| For 3-inch meter.....          | 315.16                               |

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on February 26, 2014 to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA). (T)
3. A surcharge of \$0.1308 per Ccf is to be applied to the quantity rates for a 12-month period beginning on August 20, 2014 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
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Resolution No. \_\_\_\_\_

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

RATES - (continued)

|   | <u>Per Battery</u><br><u>Per Month</u> |
|---|--|
| For two 2-inch meters.....                  | \$ 335.00                              |
| For three 2-inch meters.....                | 505.00                                 |
| For four 2-inch meters.....                 | 673.00                                 |
| For two 3-inch meters.....                  | 631.00                                 |
| For three 3-inch meters.....                | 946.00                                 |
| For two 4-inch meters.....                  | 1,050.00                               |
| For three 4-inch meters.....                | 1,576.00                               |
| For one 8-inch meter, one 2-inch meter..... | 1,847.00                               |

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 surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on February 26, 2014 to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA). (T)
6. A surcharge of \$0.1308 per Ccf is to be applied to the quantity rates for a 12-month period beginning on August 20, 2014 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)  
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| <u>Rate Schedules</u>                       |                        |                           |
| Los Angeles County Division                 |                        |                           |
| General Metered Service - General           | LA-1                   | 2245-W 2263-W             |
| General Metered Service - Conservation      | LA-1C                  | 2264-W                    |
| Private Fire Service                        | LA-4                   | 2235-W 1089-W 1507-W      |
| Recycled Water Metered Service              | LA-6                   | 2247-W 2265-W             |
| Construction and Tank Truck Service         | LA-9C                  | 2238-W 1521-W             |
| Service to Tract Houses During Construction | LA-9CL                 | 2239-W                    |
| California Alternative Rates for Water      | LA-CARW                | 2272-W 2273-W             |

(continued)

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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.<br/>Sheet No.</u>   |
|---|---|
| Title Page                                  | 1559-W  |
| Table of Contents                           | 2268-W 2267-W (C)<br>2161-W 1563-W (C)<br>1637-W 2280-W (C)   |
| Preliminary Statement                       | 634-W, 390-W, 2241-W, 2229-W,<br>2108-W, 2341-W, 2249-W, (C)<br>2060-W, 2061-W, 2168-W,<br>2170-W, 2296-W, 2300-W, 2302-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<br>691-W to 697-W   |
| <u>Rate Schedules</u>                       | <u>Schedule<br/>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 2338-W, 2233-W   |
| General Metered Service - Conservation      | FO-1C 2234-W  |
| Private Fire Service                        | FO-4 2289-W, 1087-W, 1476-W (C)   |
| Recycled Water Metered Service              | FO-6 2340-W, 2335-W (C)   |
| Construction and Tank Truck Service         | FO-9C 2292-W, 1516-W (C)  |
| Service to Tract Houses During Construction | FO-9CL 2293-W   |
| California Alternative Rates For Water      | FO-CARW 2274-W, 2236-W  |
| Facilities Fees                             | FO-FF 1875-W 1876-W   |

(continued)

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