

SAN GABRIEL VALLEY WATER COMPANY

May 13, 2010

Advice Letter No. 382

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>
1930-W	General Metered Service	LA-1	1885-W
1931-W	California Alternative Rate for Water	LA-CARW	1922-W
1932-W	Recycled Water Metered Service	LA-6	1887-W
1933-W	Table of Contents (cont'd)	N/A	1927-W
1934-W	Table of Contents	N/A	1929-W

This **expense offset** filing increases revenues in its Los Angeles County division by \$3,089,404 or 5.4% to offset increases in water costs and groundwater pumping assessments. In accordance with Water Industry Rule 7.3.1 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 \$450.00 to \$587.00 per acre foot (AF), increased the Watermaster Assessment from \$10.00 to \$11.75/AF, and decreased the In Lieu

Assessment from \$5.05 to \$1.25/AF. 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 \$0.42 to \$0.44/AF. In the Central Basin, the Central Basin Municipal Water District has increased its Purchased Water charge for treated MWD water from \$635.00 to \$901.00/AF, its Recycled Water rate from \$444.00 to \$477.00/AF, its Meter Charge from \$465.00 to \$975.00/month, and its Capacity Charge from \$883.00 to \$950/month.

The water supply costs and assessments originally reflected in rates were adopted in D.08-06-022 in A.07-07-003. The present rate schedules in this division, reflecting updated water supply costs and assessments became effective on May 14, 2009 as a result of Advice Letter 372.

The impact of these changes to water costs and assessments increases the adopted expense from \$11,771,341 to \$14,828,307 and increases the previously adopted Advice Letter 372 revenue requirement of \$56,818,052 by \$3,089,404 or 5.4% to \$59,907,456. 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 \$3.59 or 5.8% from \$61.75 to \$65.34. 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 3.2 of General Order 96-B, as modified by Commission Resolution W-4664, San Gabriel will inform its customers of the increase by bill insert (a draft of which is attached hereto as Attachment D) in the first bill that includes the increase rates. 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 www.sgvwater.com. Finally, distribution of

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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.

San Gabriel Valley Water Company

A handwritten signature in black ink, appearing to read "Daniel A. Dell'Osa / Jm". The signature is written in a cursive, flowing style.

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