

# SAN GABRIEL VALLEY WATER COMPANY

December 1, 2014

Advice Letter No. 450-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 Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2370-W	General Metered Service Conservation Rates	LA-1C	2355-W
2378-W	California Alternative Rates for Water (cont.)	LA-CARW	2273-W
2371-W	Table of Contents (cont'd)	N/A	2357-W
2372-W	Table of Contents	N/A	2369-W

An original and four copies of this advice letter are submitted pursuant to Decision No. (D.) 10-04-031 in Application No. 08-09-008, and General Order 96-B, Water Industry Rule 7.3.1(1), to amortize the \$1,432,005 undercollection in the Water Revenue Adjustment Mechanism ("WRAM") Balancing Account as of October 31, 2014, through a temporary 12-month surcharge of \$3.13 per tiered-rate residential customer, per month. The surcharge will increase annual adopted revenues from \$65,916,558 to \$67,348,563 or 2.2%. D.10-04-031 established the WRAM and provides for amortization of the balance in that account. Ordering Paragraph 4(d) states:

*(d) If the water revenue adjustment mechanism over- or under-collection for either ratemaking division exceeds 2% of that area's total authorized revenue requirement for the preceding calendar year, a tier 1 advice letter shall be filed within 30 days by San Gabriel Valley*

*Water Company that requests amortization of the balance in the account, which applies only to the residential class of customers. If the percentage is 2 or less, San Gabriel Water Company shall propose amortizing in the next General Rate Case.*

**This amended advice letter adds a rate schedule that was inadvertently omitted in the original submittal.** In accordance with the above ordering paragraph and Water Industry Rule 7.3.1(1), **this filing is designated as Tier 1 and does not require a resolution.** The enclosed tariff schedules will become effective immediately.

### **Background**

The current rate schedules in this division became effective on November 1, 2014 through Advice Letter No. 447.

D.10-04-031, dated April 8, 2010, in A.08-09-008 adopted conservation rates and authorized a Monterey style WRAM balancing account to record variances in Quantity Rate revenues from those that would have been billed under a single block Quantity Rate. The \$1,432,005 undercollection in that account exceeds 2% of the authorized \$64,739,867 revenue requirement for the preceding calendar year.

San Gabriel has furnished the Commission's Division of Water and Audits staff workpapers providing detailed support for the proposed surcharge. San Gabriel is proposing a per customer surcharge, applicable only to its residential customers, rather than a per Ccf surcharge because the use of outdated sales forecast would not provide for full amortization of the undercollected recorded balance. These workpapers show the computation of a surcharge of \$3.13 per residential customer, per month for twelve-months beginning on the effective date of this advice letter. The new rates submitted with this advice letter raise the monthly bill of the typical residential customer using 14 Ccf under Schedule LA-1C with a 5/8" x 3/4" meter by \$3.13 or 5.5% from \$57.40 to \$60.53.

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.

### **Service and Notice**

In accordance with General Rule 4.2 of General Order 96-B, San Gabriel will give its customers, at least 30 days' notice before the effective date of this advice letter, notice of the increase by bill insert (a draft of which is attached hereto). No other parties have requested notification of tariff filings.

Distribution of this Advice Letter is being made to the attached service lists in accordance with Water Industry Rule 4.1 of General Order 96-B. 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](http://www.sgvwater.com).

### **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; 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.

December 1, 2014

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

Tariff Unit, Division of Water and Audits, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

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

San Gabriel Valley Water Company  
11142 Garvey Avenue  
El Monte, CA 91733  
Tel: (626) 448-6183  
FAX (626) 448-5530  
e-mail: [dadellosa@sgvwater.com](mailto:dadellosa@sgvwater.com)

Thank you for your assistance in processing this advice letter.



Daniel A. Dell'Osa  
Director of Rates and Revenue

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

**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

Per Meter  
Per Month

Service Charges:

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).
3. A surcharge of \$0.1308 per Ccf is to be applied to the quantity rates beginning on the effective date of Advice Letter 447 and ending on August 20, 2015 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account.
4. A surcharge of \$3.13 per month for a 12-month period beginning on December 1, 2014 is to be applied to amortize the undercollection in the Water Revenue Adjustment Mechanism (WRAM) Balancing Account. (N)  
(N)  
(N)

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 450-A

R. W. Nicholson

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

Decision No. D.10-04-031

NAME

Effective \_\_\_\_\_

President

TITLE

Resolution No. \_\_\_\_\_

**SCHEDULE NO. LA-CARW**  
Los Angeles County Tariff Area  
**CALIFORNIA ALTERNATIVE RATES FOR WATER**

*(continued)*

**SPECIAL CONDITIONS** (continued)

<u>No. of Persons In Household</u>	<u>Total Gross Annual Income</u>
6	\$63,940
7	\$72,060
8	\$80,180

For households with more than eight persons, add \$8,120 annually for each additional person residing in the household.

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 surcredit of \$0.0406 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 430-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
9. A surcharge of \$0.1603 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 432 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account.
10. A surcharge of \$3.13 per month for a 12-month period beginning on December 1, 2014 is to be applied to only tiered-rate customers to amortize the undercollection in the Water Revenue Adjustment Mechanism (WRAM) Balancing Account. (N)  
(N)  
(N)

(To be inserted by utility)

*Issued by*

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

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(continued)

<u>Subject Matter of Sheet</u>	<u>Schedule Number</u>		<u>C.P.U.C. Sheet No.</u>	
<b><u>Rate Schedules</u></b>				
Los Angeles County Division				
General Metered Service - General	LA-1		2245-W	2354-W
General Metered Service - Conservation	LA-1C		2370-W	(T)
Private Fire Service	LA-4	2235-W	1089-W	1507-W
Recycled Water Metered Service	LA-6		2247-W	2356-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	2378-W (T)

(continued)

(To be inserted by utility)

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R. W. Nicholson  
NAME

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

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Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**NOTICE OF TEMPORARY RATE INCREASE  
BEFORE THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
Advice Letter 450-A**

San Gabriel Valley Water Company ("the Company") submitted Advice Letter 450-A to the California Public Utilities Commission (Commission) on December 1, 2014 to implement a twelve-month surcharge to increase its revenues by \$1,432,005 or 2.2% to amortize the undercollection in the Water Revenue Adjustment Mechanism ("WRAM") Balancing Account as of October 31, 2014 in accordance with General Order 96-B, Water Industry Rule 7.3.3(7). The proposed temporary surcharge of \$3.13 per month will be charged for twelve-months to residential customers billed under tiered rates. The Company seeks the Commission's authority to implement this twelve-month surcharge and new rates became effective on submittal of the advice letter. **The revenue increase reimburses the Company for recorded uncollected revenue, but not increase profits.**

The impact of this proposed increase will raise the monthly water bill of the typical residential customer using 14 Ccf under Schedule LA-1C with a 5/8" x 3/4" meter by \$3.13 or 5.5% from \$57.40 to \$60.53. The company has submitted its supporting workpapers to the Commission staff for review and verification.

Further information may be obtained from the Company. A copy of the advice letter may be inspected at the business offices listed below or at the California Public Utilities Commission office located at 505 Van Ness Avenue, San Francisco, CA 94102.

11142 Garvey Avenue  
El Monte, CA 91733  
(626) 448-6183  
(800) 583-1773

14404 Valley Blvd.  
Industry, CA 91746  
(626) 330-1628  
(800) 583-1773

11579 Hadley Street  
Whittier, CA 90606  
(562) 699-1041  
(800) 583-1773

A copy of the advice letter will be furnished upon written request addressed to San Gabriel Valley Water Company, Post Office Box 6010, El Monte, CA 91734 Attention: Director of Rates and Revenues. It is also available on the Company's website at [www.sgvwater.com](http://www.sgvwater.com).