

SAN GABRIEL VALLEY WATER COMPANY

February 24, 2015

Advice Letter No. 458

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 and Fontana Water Company divisions:

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2442-W	Preliminary Statement T	N/A	N/A
2443-W	Table of Contents	N/A	2441-W

An original and four copies of this advice letter are submitted in compliance with Commission Resolution W-5023 to establish a memorandum account to record all current and future costs currently included in base rates associated with customer bill payment options recently authorized by the Commission (i.e., a credit or debit card or electronic check through a third party vendor for a fee) and any savings arising from the reduced number of shutoffs associated with timely payment of bills using these new payment options.

In accordance with Commission Resolution W-5023, **this filing is designated as Tier 2.**

Discussion

On November 26, 2014, San Gabriel submitted Advice Letter 451-W, requesting authorization to allow customers, at the customers' option, to pay their water service bills using a credit or debit card or electronic check through a third

party vendor for a fee. The Commission approved this request on February 12, 2015 in Resolution W-5023. Ordering Paragraphs 2 and 3 of this Resolution state:

2. *Establishment of the bill payment option adopted in Ordering Paragraph 1 above is conditioned on San Gabriel Valley Water Company establishing, by a Tier 2 Advice Letter, a Memorandum Account to record all current and future costs currently included in base rates associated with the costs of providing the electronic payment options and any savings arising from the reduced number of shutoffs associated with timely payment of bills using these payment options. San Gabriel Valley Water Company shall file this memorandum account advice letter within 30 days of this Resolution.*
3. *Any net balance in the memorandum account established in Ordering Paragraph 2 shall be reviewed in San Gabriel Valley Water Company's next general rate case.*

San Gabriel is scheduled to file its next general rate case in January 2016. 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 Advice Letter Filing

This advice letter does not seek to increase any rate or charge. Therefore, notice of this advice letter is not required under General Rule 4.2. In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will post this advice letter to its website 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.

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;
- (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 relitigating a prior order of the Commission.

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, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
Email: 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 of the protest by mail to San Gabriel addressed as follows:

San Gabriel Valley Water Company
Director, Rates and Revenue
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626)448-5530 or
E-mail: dadellosa@sgvwater.com

The advice letter process does not provide for any responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period.

Replies: San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5

February 24, 2015

business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact me at (626) 448-6183.

Thank you for processing this advice letter.



Daniel A. Dell'Osa
Director of Rates and Revenue

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

PRELIMINARY STATEMENT
(Continued)

T. Payment Options Memorandum Account

1. Purpose

The purpose of this memorandum account is to track the costs and savings resulting from new customer bill payment options authorized in Resolution W-5023 (i.e., a credit or debit card or electronic check through a third party vendor for a fee) until the general rate case scheduled to be filed in January 2016. Any net balance shall be refunded to customers.

2. San Gabriel shall maintain the Payment Options Memorandum Account by making entries at the end of each month as follows:

- a. A debit entry shall be made to record the costs currently included in base rates associated with the costs of providing the electronic payment options,
- b. A credit entry shall be made to record any savings arising from the reduced number of shutoffs associated with timely payment of bills using these payment options, and
- c. Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, H.15 (<http://www.federalreserve.gov/releases/H15/data/m/cp3m.txt>), or its successor publication (debit or credit).

3. Disposition

Any net balance in the memorandum account shall be reviewed in the general rate case scheduled to be filed in January 2016.

Authorization: Established pursuant to W-5023, dated February 12, 2015.

(To be inserted by utility)

Issued by

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

Advice Letter No. 458

R. W. Nicholson
NAME

Date Filed _____

Decision No. _____

President
TITLE

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	2443-W	2435-W (C)
	2376-W	1563-W
	1637-W	2205-W
Preliminary Statement	634-W, 390-W, 2433-W, 2229-W, 2108-W, 2387-W, 2434-W, 2060-W, 2061-W, 2168-W, 2170-W, 2296-W, 2300-W, 2302-W, 2346-W, 2442-W, 2375-W (C)	
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 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	1807-W
Fontana Water Company		
General Metered Service - General	FO-1	2379-W, 2437-W
General Metered Service - Conservation	FO-1C	2438-W
Private Fire Service	FO-4	2382-W, 1087-W, 1476-W
Recycled Water Metered Service	FO-6	2383-W, 2439-W
Construction and Tank Truck Service	FO-9C	2385-W, 1516-W
Service to Tract Houses During Construction	FO-9CL	2386-W
California Alternative Rates For Water	FO-CARW	2274-W, 2440-W
Facilities Fees	FO-FF	1875-W 1876-W

(continued)

(To be inserted by utility)
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