

SAN GABRIEL VALLEY WATER COMPANY

September 2, 2015

Advice Letter No. 468

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>
2497-W	General Metered Service (cont'd)	LA-1	2354-W
2498-W	General Metered Service Conservation Rates	LA-1C	2488-W
2499-W	Recycled Water Metered Service (cont'd)	LA-6	2356-W
2500-W	Table of Contents (cont'd)	N/A	2492-W
2501-W	Table of Contents	N/A	2496-W

An original and four copies of this advice letter are submitted pursuant to General Order 96-B, Water Industry Rule 7.3.1(1), to amortize the \$3,095,174 undercollection in the California Alternative Rates for Water ("CARW") Balancing Account as of July 31, 2015, through a temporary 12-month surcharge of \$0.2372 per Ccf. The surcharge will increase annual revenues from \$68,812,766 to \$71,907,940 or 4.5%. This request is made pursuant to Standard Practice U-27-W, Section E.43, which states:

43. Reserve Account amortization for Class A utilities will be part of the General Rate Case or may be by advice letter when the account over or under collection exceeds 2%, at the utility's option.

In accordance with Water Industry Rule 7.3.1(1) of General Order 96-B, **this filing is designated as Tier 1 and rates become effective upon filing.**

Background

The current rate schedules in this division became effective on July 1, 2015 through Advice Letter No. 466-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. Resolution W-5043, dated July 23, 2015, approved Advice Letter No. 453, re-designating the CARW memorandum account as a balancing account.

Decision 11-05-020 in Rulemaking 09-12-017 established a data sharing plan between regulated Class A water utilities and regulated energy utilities which resulted in a large increase in low-income customer participation and a subsequent rapid increase in the undercollection of the CARW Balancing Account. On August 24, 2015 San Gabriel filed Application No. 15-08-022 requesting authorization to update its CARW charges and benefits to reflect existing participation levels.

Discussion

San Gabriel has furnished the Commission's Division of Water and Audits staff workpapers providing detailed support for the proposed surcharges. These workpapers show the computation of a surcharge of \$0.2372 per Ccf for twelve-months beginning on the effective date of this filing. 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 \$3.32 or 5.3% from \$59.42 to \$62.74 and customers on Schedule No. LA-1C by \$3.32 or 5.2% from \$60.67 to \$63.99.

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 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 provided with the workpapers) in the first bill that includes the increased 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 on its website at www.sgvwater.com.

Also, 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. When submitting a written response or protest please include San Gabriel Valley Water Company's name and this advice letter number in the subject line. 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.

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. When submitting a written response or protest please include San Gabriel Valley Water Company's name and this advice letter number in the subject line. 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
water_division@cpuc.ca.gov

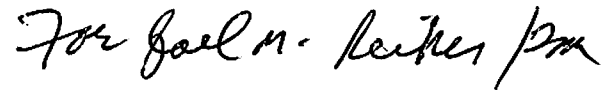
On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

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

Thank you for your assistance in processing this advice letter.

September 2, 2015

San Gabriel Valley Water Company

A handwritten signature in black ink that reads "For Joel M. Reiker pm". The signature is written in a cursive style.

Joel M. Reiker
Vice President of Regulatory Affairs

cc: Bruce DeBerry, 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)

RATES (continued)

	<u>Per Battery</u> <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. (D)
2. A surcharge of \$0.2372 per Ccf is to be applied to the quantity rates for twelve-months beginning on the effective date of Advice Letter 468 and ending September 1, 2016 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account. (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 468

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

Resolution No. _____

TITLE

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. \$ 2.5829
For all Ccf greater than 13 Ccf, per 100 Cu. Ft. \$ 2.9383

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. (D)
2. A surcharge of \$3.13 per month for a 12-month period beginning on December 3, 2014 is to be applied to amortize the undercollection in the Water Revenue Adjustment Mechanism (WRAM) Balancing Account.
3. A surcharge of \$0.2372 per Ccf is to be applied to the quantity rates for twelve-months beginning on the effective date of Advice Letter 468 and ending September 1, 2016 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account. (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 468

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

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

(continued)

RATES – (continued)

	<u>Per Battery</u> <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. (D)
5. A surcharge of \$0.2372 per Ccf is to be applied to the quantity rates for twelve-months beginning on the effective date of Advice Letter 468 and ending September 1, 2016 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account. (D)
(N)
(N)
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 468

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

TABLE OF CONTENTS
(continued)

<u>Subject Matter of Sheet</u>	<u>Schedule Number</u>	<u>C.P.U.C. Sheet No.</u>
<u>Rate Schedules</u>		
Los Angeles County Division		
General Metered Service - General	LA-1	2487-W 2497-W (C)
General Metered Service - Conservation	LA-1C	2498-W (C)
Private Fire Service	LA-4	2427-W 1089-W 1507-W
Recycled Water Metered Service	LA-6	2489-W 2499-W (C)
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	2490-W 2450-W (C)

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 468

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	2501-W, 2500-W (C) 2376-W, 1563-W 1637-W, 2479-W
Preliminary Statement	634-W, 390-W, 2389-W to 2412-W, 2346-W, 2464-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 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
Stages Water Shortage Surcharges and Penalties	14.I 2481-W to 2485-W
Fontana Water Company	
General Metered Service - General	FO-I 2379-W, 2459-W
General Metered Service - Conservation	FO-1C 2494-W
Private Fire Service	FO-4 2382-W, 1087-W, 1476-W
Recycled Water Metered Service	FO-6 2383-W, 2461-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 2451-W, 2495-W
Facilities Fees	FO-FF 1875-W 1876-W

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 468

R. W. Nicholson

Date Filed

Decision No.

NAME

Effective

President

Resolution No.

TITLE