

SAN GABRIEL VALLEY WATER COMPANY

September 14, 2018

Advice Letter No. 507-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>
2884-W	General Metered Service (cont'd)	LA-1	2819-W
2885-W	General Metered Service Conservation Rates	LA-1C	2860-W
2886-W	California Alternative Rates for Water (cont'd)	LA-CARW	2741-W
2887-W	Preliminary Statement, Paragraph V1	N/A	2464-W
2888-W	Table of Contents (cont'd)	N/A	2863-W
2889-W	Table of Contents	N/A	2883-W

An original and four copies of this advice letter are submitted in compliance with Commission Resolution W-5169 to amortize the net \$3,532,149 undercollection in the Drought Lost Revenue Memorandum Account (DLRMA) and the Drought Surcharge Revenue Memorandum Account (DSRMA) as of November 30, 2017, through a temporary 24-month surcharge of \$0.1473 per Ccf, effective October 1, 2018. Those memorandum accounts will be closed, and the net undercollection will be transferred to a new balancing account. On September 30, 2020, the new balancing account will be closed, and any residual balance will then be transferred to the Previously Authorized Balances Balancing Account (following approval of a Tier 2 advice letter) for future refund or recovery.

In accordance with Water Industry Rule 7.3.1(3) of General Order 96-B, this filing is designated as Tier 1.

Background

The current rate schedules in this division became effective on July 1, 2018, through Advice Letter No. 526.

Advice Letter 507 was submitted on December 8, 2017 seeking authority to amortize the net undercollected balance in the DLRMA and DSRMA as of November 30, 2017, which consists of net Drought Lost Revenues recorded from July 1, 2016 through April 26, 2017 – the date the Drought Emergency officially ended, and interest accrued through November 30, 2017.

On September 13, 2018, the Commission issued Resolution W-5169, approving the advice letter and including the following relevant Ordering Paragraphs:

1. Advice Letters Nos. 507-W and 508-W are approved.
2. San Gabriel Valley Water Company shall, within five days of the effective date of this resolution, supplement Advice Letter No. 507-W ...
4. For the Los Angeles Division, San Gabriel Valley Water Company is authorized to recover the net under collection balance of \$3,532,149, the net of its Drought Lost Revenue Memorandum Account and the Drought Surcharge Revenue Memorandum Account balances as of November 30, 2017, by transferring that amount to a balancing account for recovery through a surcharge of \$0.1473 per Ccf applied to the quantity rates over a period of 24 months starting October 1, 2018.
6. San Gabriel Valley Water Company's Drought Lost Revenue Memorandum Account and Drought Surcharge Revenue Memorandum Account shall be closed.
7. At the end of the 24-month surcharge collection period of the balancing accounts, any monies collected more than, or less than, the authorized recovery balances, shall be transferred to the Previously Authorized Balance Balancing Account for future refund or recovery.

September 14, 2018

There are no workpapers associated with this supplemental advice letter. In accordance with Water Industry Rule 7.3.1 of General Order 96-B, further customer notice under General Rule 4.2 is not required. In accordance with Water Industry Rule 3.3, San Gabriel will post this advice letter on its website at www.sgvwater.com. Distribution of this advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1. No other parties have requested notification of tariff filings related to the LA County division.

Thank you for your assistance in processing this advice letter.

A handwritten signature in black ink, appearing to read "Joel M. Reiker". The signature is fluid and cursive, with a large initial "J" and "R".

Joel M. Reiker
Vice President of Regulatory Affairs

cc: James Boothe, CPUC – Water Division
Victor Chan, CPUC – Water Branch, Cal PA
Richard Smith, CPUC – Water Branch, Cal PA

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

<u>RATES</u> (continued)	<u>Per Battery</u> <u>Per Month</u>
For two 2-inch meters.....	\$ 356.00
For three 2-inch meters.....	535.00
For four 2-inch meters.....	713.00
For two 3-inch meters.....	668.00
For three 3-inch meters.....	1,003.00
For two 4-inch meters.....	1,114.00
For three 4-inch meters.....	1,668.00
For one 8-inch meter, one 2-inch meter.....	1,956.00

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 \$0.2128/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program. (D)
3. A surcharge of \$0.1473 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net under-collection in the Los Angeles Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts. (N)
|
(N)

(To be inserted by utility)
Advice Letter No. 507-A
Decision No. _____

Issued by
R. W. Nicholson
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. W-5169

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.	\$ 3.2694
For all Ccf greater than 13 Ccf, per 100 Cu. Ft.	\$ 3.7256

**Per Meter
Per Month**

Service Charges:

For 5/8 x 3/4-inch meter	\$ 22.27
For 3/4-inch meter	33.41
For 1-inch meter.....	55.69
For 1-1/2-inch meter	111.38
For 2-inch meter.....	178.23
For 3-inch meter.....	334.12

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2128/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.

3. A surcharge of \$0.1473 per Ccf is to be applied to the quantity rates for twenty-four months beginning October 1, 2018 to amortize the net under-collection in the Los Angeles Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

(D)
(D)
(N)
|
(N)

(To be inserted by utility)

Issued by

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

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R. W. Nicholson

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NAME

Effective _____

President

TITLE

Resolution No. W-5169

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

SPECIAL CONDITIONS (continued)

- 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 surcharge of \$0.1473 per Ccf is to be applied to the quantity rates for twenty-four months beginning October 1, 2018 to amortize the net under-collection in the Los Angeles Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

(D)
(D)
(N)
|
(N)

(To be inserted by utility)

Issued by

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President

Resolution No. W-5169

TITLE

PRELIMINARY STATEMENT
(Continued)

VI. Drought Lost Revenue and Drought Surcharge Revenue Balancing Account

(N)

1. Purpose

The purpose of this balancing account is to track, separately for the Los Angeles County and Fontana Water Company divisions, the amortization of balances authorized by Resolution W-5169.

2. Accounting Procedures

San Gabriel shall make entries each month as follows:

- a. The October 1, 2018 undercollected (debit) balances will be the authorized \$3,532,149 for the Los Angeles County Division and the authorized \$3,586,304 for the Fontana Water Company Division, plus accrued interest through September 30, 2018.
- b. Each month, amortization revenues for each division will be computed by multiplying the adopted surcharge by the billed potable water tariffed sales, adjusted by the adopted Uncollectibles and Franchise Fees rates (credit).
- c. Monthly interest expense will be accrued on the average balance 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).

3. Disposition

In compliance with Commission Resolution W-5169, Ordering Paragraph No. 7, at the end of the 24-month surcharge collection period of the balancing account, any monies collected more than, or less than, the authorized recovery balance, shall be transferred (following approval of a Tier 2 advice letter) to the Previously Authorized Balances Balancing Account for future refund or recovery.

(N)

(To be inserted by utility)

Issued by

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NAME

Effective _____

President

TITLE

Resolution No. W-5169

Revised

Cal. P.U.C. Sheet No. 2888-W

Cancelling

Revised

Cal. P.U.C. Sheet No. 2863-W

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General Metered Service - Conservation	LA-1C	2885-W		(T)
Private Fire Service	LA-4	2821-W	1089-W	1507-W
Recycled Water Metered Service	LA-6	2861-W	2829-W	
Construction Service	LA-9	2698-W	2699-W	
California Alternative Rates for Water	LA-CARW	2809-W	2886-W	(T)

(continued)

(To be inserted by utility)

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NAME

President

TITLE

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

Date Filed _____

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:

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Service Area Maps:		
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(continued)

(To be inserted by utility)

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Resolution No. _____

DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 507-A

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

California-American Water Company
655 W. Broadway, Suite 1410
San Diego, CA 92101

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

City of Industry Waterworks System
Post Office Box 3136
La Puente, CA 91744

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

Golden State Water Company
Attn: Ronald Moore, Regulatory Affairs
630 East Foothill Boulevard
San Dimas, CA 91773

City Clerk, City of La Puente
15900 East Main Street
La Puente, CA 91744

Suburban Water Systems
Attn: Bob Kelly
1211 East Center Court Drive
Covina, CA 91724-3603

La Puente Valley County Water District
112 North 1st Street
La Puente, CA 91744

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

City of Monterey Park Water Department
320 West Newmark Avenue
Monterey Park, CA 91754

California Public Utilities Commission
Office of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

City of Pico Rivera Water Department
6615 Passons Boulevard
Pico Rivera, CA 90660

Pico Water District
Post Office Box 758
Pico Rivera, CA 90660-0758

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com

City Clerk, City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790