

SAN GABRIEL VALLEY WATER COMPANY

June 19, 2019

Advice Letter No. 540

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>
2969-W	General Metered Service	LA-1	2952-W
2970-W	General Metered Service – Conservation Rates	LA-1C	2954-W
2971-W	Recycled Water Metered Service	LA-6	2956-W
2972-W	Preliminary Statement, Paragraph H1	N/A	2958-W
2973-W	Table of Contents (cont'd)	N/A	2959-W
2983-W	Table of Contents	N/A	2968-W

This water cost offset filing proposes to increase rates, effective July 1, 2019, by \$0.1087/Ccf in San Gabriel's Los Angeles County division to offset increases in purchased water costs and groundwater pumping assessments, producing additional revenues of \$1,336,439 or 1.8%. In accordance with Water Industry Rule 7.3.1(7) and Water Industry Rule 8.4 of General Order 96-B, this filing is designated Tier 1.

Background

The major portion of water supplies for San Gabriel's Los Angeles County division come from groundwater pumped from the Main San Gabriel Basin and to a lesser extent from groundwater pumped from the Central Basin. The water supply costs and assessments currently reflected in present rates were adopted, effective on July 1, 2018 as a result of Advice Letter 526.

Changes in Water Costs

In the Main San Gabriel Basin, the cost of Leased Water Rights have decreased from the adopted \$751.97/AF to \$750.60/AF, the Water Resources Development Assessment has increased from the adopted \$105/AF to \$140.00/AF, the Replacement Water Assessment has increased from the adopted \$934/AF to \$958/AF, the Recycled Water Upper San Gabriel Valley Municipal Water District (USGVMWD) cost has increased from the adopted \$747.20/AF to \$766.40/AF and the Recycled Water County Sanitation District (CSD) of Los Angeles County (LAC) has increased from the adopted \$532.00/AF to \$561.50/AF. The Central Basin Watermaster increased its Connection Maintenance Charge from the adopted \$1,215.00 per month to \$1,755.00 per month, increased its Replenishment Assessment from the adopted \$339.00/AF to \$365/AF, decreased its Service Assessment from the adopted \$4,701.26 to \$4,444.10 per year, and increased its Recycled Water rate from \$649.00/AF to \$759.00/AF.

Discussion

The current revenue requirement (pending Advice Letter 538) is \$74,328,700. This advice letter proposes to increase the adopted water supply costs and pumping assessments from \$18,469,700 to \$19,791,266, and to increase the current revenue requirement by \$1,336,439 or 1.8% to \$75,665,139.

The proposed rates submitted with this advice letter will raise the monthly bill of the typical residential customer on Schedule No. LA-1 with a 5/8" x 3/4" meter using 12 Ccf by \$1.30 or 1.9% from \$68.38 to \$69.68 and the typical residential customer on Schedule No. LA-1C by \$1.31 or 2.0% from \$66.71 to \$68.02. San Gabriel has furnished the Commission's Water 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

This advice letter is filed in accordance with Standard Practice U-27-W. No customer notice is required. San Gabriel will inform its customers of the net rate change

effective July 1, 2019 in dollar and percentage terms by a billing message on the first bill on which the changes appear.

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.

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. 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 Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 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 Water Division, the respondent or protestant shall send a copy of the protest by mail (or e-mail) to San Gabriel, addressed to:

June 19, 2019

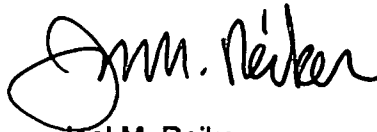
San Gabriel Valley Water Company
Vice President of Regulatory Affairs
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626)448-5530 or
E-mail: jmreiker@sgvwater.com

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 Water Division within 5 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 your assistance in timely processing this advice letter.



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

APPLICABILITY

Applicable to all metered water service, except for those Residential customers required to be served under Schedule LA-1C.

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 all water delivered, per 100 cu. ft..... \$ 3.5644 (I)

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter.....	\$ 22.59
For 3/4-inch meter.....	33.89
For 1-inch meter.....	56.50
For 1-1/2-inch meter.....	112.99
For 2-inch meter.....	180.82
For 3-inch meter.....	338.97
For 4-inch meter.....	565.02
For 6-inch meter.....	1,130.00
For 8-inch meter.....	1,810.00
For 10-inch meter.....	2,600.00
For 12-inch meter.....	3,730.00
For 14-inch meter.....	4,980.00

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 540

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

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.	\$ 3.4256	(I)
For all Ccf greater than 13 Ccf, per 100 Cu. Ft.	\$ 3.8884	(I)

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 22.59
For 3/4-inch meter	33.89
For 1-inch meter.....	56.50
For 1-1/2-inch meter	112.99
For 2-inch meter.....	180.82
For 3-inch meter.....	338.97

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.

(To be inserted by utility)

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

APPLICABILITY

Applicable to all recycled water metered service.

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 all water delivered per 100 cu. ft..... \$ 3.0297 (I)

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter.....	\$ 22.59
For 3/4-inch meter.....	33.89
For 1-inch meter.....	56.50
For 1-1/2-inch meter.....	112.99
For 2-inch meter.....	180.82
For 3-inch meter.....	338.97
For 4-inch meter.....	565.02
For 6-inch meter.....	1,130.00
For 8-inch meter.....	1,810.00
For 10-inch meter.....	2,600.00
For 12-inch meter.....	3,730.00
For 14-inch meter.....	4,980.00

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PRELIMINARY STATEMENT

(Continued)

H1. Water Revenue Adjustment Mechanism (WRAM) Memorandum Account for the Los Angeles County Division

1. Purpose: The purpose of this memorandum account is to track the Quantity Rate revenues collected under Schedule LA-1C tiered rates against the revenues that would have been collected under a single block Quantity Rate.
2. The following entries will be made monthly to the WRAM memorandum Account in the Los Angeles County division:
 - a. The recorded revenues collected through the tiered Quantity Rate under Schedule No. LA-1C (debit).
 - b. The calculated revenues that would have been collected under a single block Quantity Rate for the same water usage as in 2a above (credit).
 - c. The CPUC-adopted Quantity Rates (\$/Ccf) to be used in calculating the revenues for 2a and 2b above are as follows:

<u>Effective Date</u>	<u>Single Block Rate</u>	0-13 Ccf/mo. Over 13 Ccf/mo.	
		<u>Tier 1 Rate</u>	<u>Tier 2 Rate</u>
January 1, 2017	\$2.8894	\$2.7290	\$3.0856
April 8, 2017	\$2.9021	\$2.7410	\$3.0991
July 1, 2017	\$3.2010	\$3.0631	\$3.5226
July 1, 2017	\$3.3159	\$3.1780	\$3.6375
July 1, 2018	\$3.3075	\$3.1699	\$3.6282
July 1, 2018	\$3.4063	\$3.2694	\$3.7256
January 1, 2019	\$3.3648	\$3.2296	\$3.6802
July 1, 2019	\$3.5644	\$3.4256	\$3.8884

(I)

- d. Franchise fees and uncollectible account expense, based on the net of 2a and 2b above, and the CPUC-adopted rates for franchise fees and uncollectible expenses.
- e. Monthly interest 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.
3. The balance in the memorandum account shall be amortized by a Tier 1 advice letter whenever the balance exceeds 2% of the authorized revenue requirement for the preceding calendar year. If the balance is below 2%, San Gabriel shall propose its amortization in a general rate case.
4. The memorandum account will terminate when so ordered in a CPUC general rate case decision, at which time any remaining debit (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit.

Authorization: Established pursuant to D.10-04-031, Ordering Paragraph 4; and Advice Letter 385

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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	2969-W	2953-W	(T)
General Metered Service - Conservation	LA-1C	2970-W		
Private Fire Service	LA-4	2955-W	1089-W	1507-W
Recycled Water Metered Service	LA-6	2971-W	2957-W	(T)
Construction Service	LA-9	2698-W	2699-W	
California Alternative Rates for Water	LA-CARW	2943-W	2886-W	

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DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 540

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

Industry Public Utilities
Post Office Box 3165
City of Industry, 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
Public Advocates Office
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