

SAN GABRIEL VALLEY WATER COMPANY

September 14, 2018

Advice Letter No. 508-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 Fontana Water Company ("Fontana") division:

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2890-W	General Metered Service (cont'd)	FO-1	2873-W
2891-W	General Metered Service Conservation Rates	FO-1C	2874-W
2892-W	California Alternative Rates for Water (cont'd)	FO-CARW	2876-W
2887-W	Preliminary Statement V1	N/A	2464-W
2893-W	Table of Contents	N/A	2889-W

An original and four copies of this advice letter are submitted in compliance with Commission Resolution W-5169 to amortize the net \$3,586,304 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 \$0.1254 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 1 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 Nos. 525.

Advice Letter 508 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 February 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.
3. San Gabriel Valley Water Company shall, within five days of the effective date of this resolution, supplement Advice Letter No. 508-W ...
5. For the Fontana Division, San Gabriel Valley Water Company is authorized to recover the net under collection balance of \$3,586,304, 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 \$0.1254 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.fontanawater.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 Fontana Water Company 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 loop at the beginning.

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. FO-1
Fontana Water Company
GENERAL METERED SERVICE
(continued)

RATES (continued)

	<u>Per Battery</u> <u>Per Month</u>
For two 2-inch meters	\$ 266.00
For three 2-inch meters	401.00
For four 2-inch meters.....	533.00
For two 3-inch meters	500.00
For two 4-inch meters	833.00
For one 8-inch meter, two 2-inch meters.....	1,595.00
For two 8-inch meters	2,662.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added to the quantity charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2425/Ccf is to be applied to the quantity rates of only non-CARW customers to recover the estimated benefits provided under the California Alternative Rates for Water (CARW) program. (D)
3. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account. (D)
4. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.
5. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net undercollection in the Fontana Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts. (T)

(To be inserted by utility)

Issued by

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

Advice Letter No. 508-A

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. W-5169

SCHEDULE NO. FO-1C
Fontana Water Company
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 Fontana, Rancho Cucamonga, Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For the first 16 Ccf of water used, per 100 cu. ft..... \$ 3.3124
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 3.7999

Service Charges:	Per Meter
	<u>Per Month</u>
For 5/8 x 3/4-inch meter	\$ 16.67
For 3/4-inch meter	24.99
For 1-inch meter	41.66
For 1-1/2-inch meter	83.32
For 2-inch meter	133.32
For 3-inch meter	249.91

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2425/Ccf is to be applied to the quantity rates of only non-CARW customers to recover the estimated benefits provided under the California Alternative Rates for Water (CARW) program. (D)
3. A surcharge of \$0.2186 per Ccf is to be applied to the quantity rates for twelve months ending on January 31, 2019 to amortize the net undercollection in the Water Revenue Adjustment Mechanism (WRAM) memorandum account. (D)
4. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account.
5. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.
6. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net undercollection in the Fontana Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts. (N)
(N)

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Resolution No. W-5169

SCHEDULE NO. FO-CARW
Fontana Water Company
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 \$0.2186 per Ccf is to be applied to the quantity rates of Schedule FO-1C only for twelve months ending on January 31, 2019, to amortize the net undercollection in the Water Revenue Adjustment Mechanism (WRAM) memorandum account.
- 9. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account.
- 10. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.
- 11. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net undercollection in the Fontana Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts

(D)
(D)

(N)
1
(N)

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Resolution No. W-5169

PRELIMINARY STATEMENT
(Continued)

V1. 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)

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Resolution No. W-5169

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(continued)

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Fontana Water Company Division
Advice Letter No. 508-A

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