

SAN GABRIEL VALLEY WATER COMPANY

March 7, 2011

Advice Letter 394

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby submits one original and four copies of the following changes in tariff sheets applicable to both its Los Angeles County and Fontana Water Company divisions:

CPUC Sheet No.¹	Title	Schedule No.	Canceling CPUC Sheet No.
	Rendering and Payment of Bills	Rule No. 9	1849-W
	Table of Contents (cont.)	N/A	XXXX-W
	Table of Contents	N/A	XXXX-W

Purpose

This advice letter requests Commission authority to provide customers with additional bill payment options by allowing San Gabriel to accept payments by credit and debit cards or electronic checks as bill payment options administered by a third-party vendor. San Gabriel proposes to revise its tariffs by adding two paragraphs to reflect these additional bill payment options to Rule No. 9. The third-party vendor will charge a convenience fee of \$3.95 to the customer's credit or debit card or e-checking account for each transaction. Public Utilities Code Section 755 authorizes water corporations to offer the credit and debit card payment options if approved by the Commission, and states that only customers that choose to use that payment option incur the additional charge associated with that payment option. By this advice letter San Gabriel also requests Commission approval to amend its tariffs in order to reflect current customer choices of electronic payments.

¹ "...all Tier 2 and Tier 3 advice letters from this moment on, do not file numbered tariff sheets with the advice letter. After approval, you will supplement the tariffs with properly numbered tariff sheets." Fred Curry's email dated April 27, 2009.

In accordance with General Order 96-B Section 7.3.3 (12) of the Water Industry Rules adopted by D.07-01-024, this advice letter is recommended as a Tier 3 advice letter, that will require a Commission resolution for approval.

Background

San Gabriel offers several different forms of payment options for customers to choose from, all of which will be continued after receiving the Commission's approval to offer credit and debit cards or electronic checks through a third party bill payment vendor as an additional bill payment option. San Gabriel has received numerous requests from its customers to make available credit and debit cards or electronic checks as payment options. Those customers have stated that the option of paying by credit and debit cards or electronic checks is a benefit, especially when they may be facing a deadline for shut-off.

After this advice letter is approved by the Commission San Gabriel will provide information about all the payment options to its customers in the form of notices to be inserted with San Gabriel's billing statement and by posting a link on its websites.

The third-party bill payment vendor will directly charge the customer a convenience fee of \$3.95 per transaction. The convenience fee will be charged only to a customer that chooses to use that payment option and incur the additional charge. Transaction fees related to the use of credit cards, debit cards or electronic checks will not be charged to or passed through to other San Gabriel customers. In addition, other fees related to third party vendor setup and customer returned items and charge-backs will not be charged to or passed through to San Gabriel customers. There are no anticipated additional costs or cost savings as a result of adding credit and debit cards or electronic checks as payment options for its customers and therefore Commission authorization of these payment options will neither increase or decrease San Gabriel's revenues, expenses, or rate of return. No portion of the convenience fee will be collected or kept by San Gabriel. The monthly water bill will continue to be sent directly to the customer by San Gabriel. A customer's use of credit and debit cards or electronic checks will be strictly optional to the customer. Customers will be informed of the amount of the convenience fee several times by electronic prompts during the course of making a payment through the third party bill payment vendor.

Notice

No individuals or utilities have requested notification of filing of tariffs. 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) The utility 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 the utility 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
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 us, addressed to:

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

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

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits 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 the undersigned person at (626) 448-6183.

Very truly yours,

Handwritten signature of Daniel A. Dell'Osa in black ink, written in a cursive style.

Daniel A. Dell'Osa
Director of Rates and Revenue

cc: Rami Kahlon, CPUC – Division of Water and Audits
James Boothe, CPUC – Division of Water and Audits
Hani Moussa, CPUC – Water Branch, DRA
Danilo Sanchez, CPUC – Water Branch, DRA

Rule No. 9

RENDERING AND PAYMENT OF BILLS

(continued)

3. Proration of Bills (continued)

and the quantity in each of the several quantity rate blocks will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period. The measured quantity of usage will be applied to such prorated amounts and quantities.

(2) Flat Rate Service

The billing period charge will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period.

(3) Average Billing Period

The number of days in an average billing period is defined as 365 divided by the number of billing periods in a year. (It is 30.4 days for a monthly billing period.)

B. Payment of Bills

(1) Bills for service are due and payable upon presentation and payment may be made at any commercial office of the utility or to any representative of the utility authorized to make collections. Collection of closing bills may be made at the time of presentation.

(2) At the mutual option of the customer and utility, electronic payments including automatic electronic transfers, credit or debit cards and e-check payments may be made. Credit or debit cards and electronic-check payments will be accepted through the use of a third-party vendor designated by the utility, and a non-refundable \$3.95 convenience fee per transaction shall be charged to the customer by the third-party. Customers are limited to one transaction per each assessed fee. If a customer has more than one customer account, a separate transaction is needed for paying each account. The non-refundable convenience fee will apply for each transaction completed and will be added as a charge to the credit or debit card or e-check account by the third-party vendor and not the utility.

(3) Credit or debit card or e-check payment options will not be available to customers who have incurred two or more dishonored payments within the last 12 months or who have made a fraudulent payment.

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(To be inserted by utility)

Issued by

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

Advice Letter No. 394

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____