

SAN GABRIEL VALLEY WATER COMPANY

October 1, 2007

Advice Letter 356

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby requests ministerial review of the following changes in tariff sheets applicable to its Fontana Water Company division:

<u>CPUC</u> <u>Sheet No.</u>	<u>Title</u>	<u>Schedule</u> <u>No.</u>	<u>Canceling</u> <u>CPUC</u> <u>Sheet No.</u>
1809-W	General Metered Service (cont.)	FO-1	1798-W
1810-W	California Alternative Rates for Water (cont.)	FO-CARW	1799-W
1811-W	Table of Contents	N/A	1806-W

An original and four copies of this advice letter is submitted in compliance with Ordering Paragraph No. 4 of Decision No. 07-04-046 (A. 05-08-021), dated April 12, 2007 to refund to its ratepayers for the period July 17, 2004 to May 22, 2007 the amount of \$1,555,907 through a temporary surcredit of \$0.0757/Ccf for service to be rendered during the period January 1, 2008 through December 31, 2008. Advice Letter No. 356 is a Tier 2 advice letter.

Purpose and Background

In the previous general rate case for the Fontana Water Company division (A.02-11-044), Ordering Paragraph No. 8 of D.07-04-046 required San Gabriel to fully address all sale and condemnation proceeds received from 1996 onwards in its next general rate case. D.04-07-034 also required that the revenue related to such proceeds was subject to refund pending the decision in the next general rate case. San Gabriel made the required showing in its

subsequent general rate case (A.05-08-021) and in D.07-04-046, the Commission required San Gabriel to refund a portion of the subject-to-refund revenues. Ordering Paragraph No. 4 states:

San Gabriel shall refund to its ratepayers for the period July 17, 2004 to July 1, 2006, \$573,278, plus the amount accrued from July 1, 2006 to the date of its revised tariff schedules set forth in ordering Paragraph 1 are effective. The refund shall be based on cents per ccf. No later than October 1, 2007, San Gabriel shall file an advice letter effective January 1, 2008 to be approved by the Water Division setting forth the amount and method of the refund.

The impact of this proposed refund will reduce the monthly water bill of a typical residential customer (5/8" x 3/4" meter and 23 Ccf) by \$1.74 or 3.5% from \$50.09 to \$48.35.

Discussion

The rates adopted in D.07-04-046 for the Fontana Water Company division became effective on May 22 and July 1, 2007 pursuant to Advice Letter Nos. 348 and 350. Pursuant to Advice Letter No. 353, a temporary surcharge of \$0.0739/Ccf for twenty-four months was added and the present rates became effective on August 22, 2007. The tariff schedules reflecting the surcredit proposed by this advice letter are attached hereto. San Gabriel has provided workpapers supporting the calculation of the proposed surcredit and customer impact to the Commission's Water and Audit Division staff for their review as required by D.07-04-046.

In accordance with the requirements of Section III-G of General Order No. 96-A, this advice letter is being sent to the parties listed on the attached distribution list. No other parties have requested notification of tariff filings related to the Fontana Water Company division. No further public notice is required because all public notices in connection with Application No. 05-08-021 have already been mailed to the customers or published in accordance with applicable law and Commission rules.

Conclusion

Pursuant to Ordering Paragraph No. 4 of D.07-04-046, San Gabriel requests processing by the Commission's Water and Audit Division so the rates proposed herein will become effective on January 1, 2008. Thank you for your assistance in processing this advice letter.

San Gabriel Valley Water Company

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Director of Rates and Revenue

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