

SAN GABRIEL VALLEY WATER COMPANY

May 7, 2014

Advice Letter 438

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 Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2300-W	Preliminary Statement (continued)	N/A	2298-W
2301-W	Table of Contents	N/A	2299-W

An original and four copies of this advice letter are submitted in compliance with Ordering Paragraph No. 5 of D.14-05-001, dated May 1, 2014, in Application 11-07-005. This filing establishes a Memorandum Account for mains work beyond the scope of work performed consistent with the City of Fontana's Capital Improvement Plan. **In accordance with D.14-05-001, this is a Tier 1 advice letter.**

Discussion

On May 1, 2014, the Commission adopted D.14-05-001 in Application No. 11-07-005. Ordering Paragraph No. 5 states:

San Gabriel Valley Water Company (San Gabriel) may file a Tier 1 Advice Letter to establish a memorandum account for mains work beyond the scope of work performed consistent with the City of Fontana's Capital Improvement Plan.

As further explained in Ordering Paragraph No. 2.i:

The capital program for Mains is reduced from the settlement's \$16.6 million to \$5.2 million, consistent with City of Fontana's Capital

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Improvement Plan. San Gabriel may, however, track any spending in excess of the allowance based on the Capital Improvement Plan.

The Mains Projects Memorandum Account is described on the proposed new Section R of the Preliminary Statement of San Gabriel's 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 96-B and San Gabriel will post this Advice Letter on its website in accordance with Water Industry Rule 3.3. No further public notice is required because all public notices in connection with Application No. 11-07-005 have already been made in accordance with applicable law and Commission rules.

San Gabriel requests that the attached proposed tariffs be made effective immediately.

Thank you for your assistance in processing this tariff filing.



Daniel A. Dell'Osa
Director of Rates and Revenue

cc: Bruce DeBerry, CPUC – Water Division
Hani Moussa, CPUC – Water Branch, DRA
Danilo Sanchez, CPUC – Water Branch, DRA

PRELIMINARY STATEMENT

(Continued)

Q. Plant F23 Project Memorandum Account For Fontana Water Company Division

1. Purpose: The purpose of this memorandum account, as authorized by D.14-05-001 in A.11-07-005, is to track the recorded costs required by the City of Fontana's Conditional Use Permit for the Plant F23 project.
2. The following entries will be made monthly to the Plant F23 Project Memorandum Account:
 - a. The recorded construction costs of the Plant F23 project required by the City of Fontana's Conditional Use Permit.
 - b. Monthly interest expense 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 (debit or credit).
3. After the Plant F23 project is placed into service, San Gabriel will submit an advice letter, supported by specific records which clearly document the expenditures, to reflect in rates the balance of costs recorded in this memorandum account.

R. Mains Project Memorandum Account For Fontana Water Company Division

(N)

1. Purpose: The purpose of this memorandum account, as authorized by D.14-05-001 in A.11-07-005, is to track the recorded costs for mains work in excess of the allowance based on the City of Fontana's Capital Improvement Plan.
2. The following entries will be made monthly to the Mains Project Memorandum Account:
 - a. The recorded construction costs for mains work in excess of the allowance based on the City of Fontana's Capital Improvement Plan.
 - b. Monthly interest expense 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 (debit or credit).
3. Each year, San Gabriel will submit an advice letter, supported by specific records which clearly document the expenditures, to reflect in rates the balance recorded in this memorandum account.

(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 438

R. W. Nicholson

Date Filed _____

Decision No. 14-05-001

NAME

Effective _____

President

TITLE

Resolution No. _____

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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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Facilities Fees	FO-FF 1875-W 1876-W

(continued)

(To be inserted by utility)

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