

# SAN GABRIEL VALLEY WATER COMPANY

July 14, 2017

Advice Letter 499

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>
2728-W	General Metered Service (cont.)	FO-1	2702-W
2729-W	General Metered Service-Conservation (cont.)	FO-1C	2703-W
2730-W	Recycled Water Service (cont.)	FO-6	2706-W
N/A	Preliminary Statement T	N/A	2408-W
2731-W	Table of Contents	N/A	2727-W

An original and four copies of this advice letter are submitted to amortize the June 2017 \$2,166,462 undercollection recorded in the Plant F23 Perchlorate Balancing Account, to close that balancing account because it is no longer needed, and to simultaneously transfer the balance to be amortized to the Previously Authorized Balances Balancing Account ("PABBA"). In accordance with Commission Resolution W-5043, **this advice letter is designated as Tier 2**, with a requested effective date of August 13, 2017.

### Purpose and Background

San Gabriel's present rates became effective on July 1, 2017 through Advice Letter 496. San Gabriel was authorized to establish the Plant F23 Perchlorate Facilities Balancing Account pursuant to D.14-05-001, Ordering Paragraph 7, and Advice Letter 439, in order to record the revenue requirement resulting from the cost of constructing this facility, subject to a

reasonableness review, for later rate recovery. In December 2014, the project was completed and closed to Plant in Service.

This balancing account is described in Section T of the Preliminary Statement to San Gabriel's tariffs. In accordance with Section T of the Preliminary Statement, San Gabriel recorded the monthly revenue requirement resulting from the cost of this project in the balancing account from May 2014 (when the account was opened) through June 2017. As of July 1, 2017 (the first day of Test Year 2017-2018), the capital costs of this project are now reflected in base rates.

In its recently concluded general rate case (A.16-01-002), San Gabriel submitted for review the December 2015 balances in its more than forty balancing and memorandum accounts. ORA reviewed the F23 Perchlorate facility project costs and the resulting revenue requirement recorded in the balancing account and found the project costs and recorded revenue requirement reasonable. Finding of Fact No. 13 of D.17-06-008 in that general rate case states, "The costs recorded in San Gabriel's Plant F23 Perchlorate Facilities Balancing Account through June 2015 are reasonable."

### **Discussion**

San Gabriel seeks authorization to amortize the June 2017 balance in the Plant F23 Perchlorate Facilities Balancing Account, to close this no longer needed balancing account, and to simultaneously transfer the balance to be amortized to the PABBA. Entries to this balancing account that were made subsequent to June 2015 utilize the same information and calculations as those reviewed in the general rate case, with the sole exception being the subsequent 90-day commercial paper rates used to accrue interest each month. The June 2017 balance of \$2,166,462 will be amortized by a 12-month temporary surcharge of \$0.1484 per Ccf.

San Gabriel has supplied to Water Division for its review and verification workpapers supporting the June 2017 balance and the proposed amortization rate.

### **Service and Notice**

In accordance with Water Industry Rule 3.1 of General Order 96-B, San Gabriel will inform its customers of the proposed increase by bill insert (a draft of which is provided with the workpapers). 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. 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.fontanawater.com](http://www.fontanawater.com). No other parties have requested notification of tariff filings related to the Fontana Water Company division.

### **Protest and Responses**

Anyone may respond to or protest this advice letter. When submitting a written response or protest please include San Gabriel Valley Water Company's name and this advice letter number in the subject line. 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; or
- (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 re-litigating a prior order of the Commission.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

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, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)


July 14, 2017

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

San Gabriel Valley Water Company  
11142 Garvey Avenue  
El Monte, CA 91733  
Tel: (626) 448-6183  
FAX (626) 448-5530  
e-mail: [jmreiker@sgvwater.com](mailto:jmreiker@sgvwater.com)

San Gabriel requests that the attached proposed tariffs be made effective for service rendered on and after August 13, 2017.

Thank you for your assistance in processing this tariff filing.



Joel M. Reiker  
Vice President of Regulatory Affairs

cc: James Boothe, CPUC – Water Division  
Hani Moussa, CPUC – Water Branch, ORA  
Richard Smith, CPUC – Water Branch, ORA

**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 .....	\$ 272.00
For three 2-inch meters .....	409.00
For four 2-inch meters.....	545.00
For two 3-inch meters .....	511.00
For two 4-inch meters .....	851.00
For one 8-inch meter, two 2-inch meters.....	1,630.00
For two 8-inch meters .....	2,720.00

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. (D)
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.
3. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
4. A surcharge of \$0.1352 per Ccf is to be applied to the quantity rates of non-CARW customers for twenty-three months beginning on the effective date of Advice Letter 475-A and ending on January 31, 2018 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
5. A surcharge of \$0.1183 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 15, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
6. A surcharge of \$0.0041 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
7. A surcharge of \$0.1484 per Ccf is to be applied to the quantity rates for twelve months effective August 13, 2017 to amortize the net undercollection in the Plant F23 Perchlorate Facilities Balancing Account. (N)  
(N)  
(N)

(To be inserted by utility)  
Advice Letter No. 499  
Decision No. \_\_\_\_\_

Issued by  
R. W. Nicholson  
NAME  
President  
TITLE

(To be inserted by Cal. P.U.C.)  
Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

**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..... \$ 3.3200  
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 3.8181

Service Charges:	Per Meter
	<u>Per Month</u>
For 5/8 x 3/4-inch meter .....	\$ 17.02
For 3/4-inch meter .....	25.53
For 1-inch meter .....	42.56
For 1-1/2-inch meter .....	85.11
For 2-inch meter .....	136.20
For 3-inch meter .....	255.30

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF. (D)
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.
3. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
4. A surcharge of \$0.1352 per Ccf is to be applied to the quantity rates of non-CARW customers for twenty-four months beginning on the effective date of Advice Letter 475-A and ending on January 31, 2018 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
5. A surcharge of \$0.1183 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 15, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
6. A surcharge of \$0.0041 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
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Resolution No. \_\_\_\_\_

**SCHEDULE NO. FO-6**  
Fontana Water Company Tariff Area  
**RECYCLED WATER METERED SERVICE**  
(continued)

**RATES** – (continued)

	Per Battery Per Month
For two 2-inch meters.....	\$ 272.00
For three 2-inch meters.....	409.00
For four 2-inch meters.....	545.00
For two 3-inch meters.....	511.00
For two 4-inch meters.....	851.00
For one 8-inch meter, one 2-inch meter.....	1,630.00
For two 8-inch meters.....	2,720.00

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

**SPECIAL CONDITIONS**

1. The Quantity Rate is set at 75% of the Quantity Rate of Schedule No. FO-1.
2. The customer is responsible for compliance with all local, state, and federal rules and regulations that apply to the use of recycled water on the customer's premises.
3. The utility will supply only such recycled water at such pressure as may be available from time to time from the recycled water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
5. 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.
6. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
7. A surcharge of \$0.1352 per Ccf is to be applied to the quantity rates of non-CARW customers for twenty-three months beginning on the effective date of Advice Letter 475-A and ending on January 31, 2018 to amortize the undercollection in the California Alternative Rates for Water (CARW) Balancing Account.
8. A surcharge of \$0.1183 per Ccf is to be applied to the quantity rates for twelve months beginning on the effective date of September 15, 2016 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue Memorandum Accounts.
9. A surcharge of \$0.0041 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2017 to amortize the net undercollection in the Cost of Capital Litigation Memorandum Account.
10. A surcharge of \$0.1484 per Ccf is to be applied to the quantity rates for twelve months effective August 13, 2017 to amortize the net undercollection in the Plant F23 Perchlorate Facilities Balancing Account.

(D)

(N)  
(N)

(To be inserted by utility)

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(continued)

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