

SAN GABRIEL VALLEY WATER COMPANY

August 18, 2017

Advice Letter 500

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>
N/A 27xx-W	Preliminary Statement W Table of Contents	N/A N/A	2411-W 27xx-W

An original and four copies of this advice letter are submitted to close the Sandhill Project Memorandum Account and to transfer the July 2017 over-refunded balance of \$174,197.80 to the Previously Authorized Balances Balancing Account ("PABBA"). In accordance with Commission Resolution W-5043, **this advice letter is designated as Tier 2.**

Purpose and Background

San Gabriel's present rates became effective on August 13, 2017 through Advice Letter 499. San Gabriel was authorized to establish the Sandhill Project Memorandum Account pursuant to D.08-04-005, Ordering Paragraph 12, in order to track customer refunds for the disallowed investment in the Sandhill Surface Water Treatment Project. San Gabriel invested \$40.3 million in this project, but D.14-05-001 in A.11-07-005 contained the following ordering paragraph:

14. San Gabriel Valley Water Company must file a Tier 2 Advice Letter to implement a refund of any over-collection in rates for Sand Hill Water Treatment costs recovered in rates that exceed the rate base cap of \$29,050,000.

The surcredit was initially set at \$0.2165 per Ccf, but effective November 19, 2015, was reduced by D.15-11-028 in A.11-07-005 to \$0.1047 per Ccf. The surcredit expired under the terms of the tariff on July 31, 2017.

The memorandum account tracking the refund is described in Section W of the Preliminary Statement to San Gabriel's tariffs. As of July 2017, the balance in the memorandum account was over-refunded by \$174,197.80.

Discussion

San Gabriel seeks authorization to transfer the July 2017 balance in the Sandhill Project Memorandum Account, to close this no longer needed memorandum account and delete Preliminary Statement Section W from its tariffs, and to simultaneously transfer the balance to the PABBA. No rate changes are being proposed at this time.

San Gabriel has supplied to Water Division for its review and verification workpapers supporting the July 2017 balance proposed to be transferred.

Service and Notice

Because this advice letter does not propose a change in rates, Water Industry Rule 3.1 of General Order 96-B does not require San Gabriel to individually notify its customers of this proposal. 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. 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, 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 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

San Gabriel requests that the proposed transactions be authorized effective July 31, 2017.

Thank you for your assistance in processing this tariff filing.

A handwritten signature in blue ink that reads "Joel M. Reiker" followed by a stylized flourish or initials.

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

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(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 500

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

DISTRIBUTION LIST
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Fontana Water Company Division
Advice Letter No. 500

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