

SAN GABRIEL VALLEY WATER COMPANY

January 31, 2018

Advice Letter No. 515

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

| <u>CPUC Sheet No.</u> | <u>Title</u> | <u>Schedule No.</u> | <u>Canceling CPUC Sheet No.</u> |
|---------------------------|--|-------------------------|---|
| 2794-W | General Metered Service Conservation Rates | FO-1C | 2753-W |
| 2795-W | California Alternative Rates for Water (cont.) | FO-CARW | 2773-W |
| 2796-W | Table of Contents | N/A | 2793-W |

An original and four copies of this advice letter are submitted pursuant to Decision No. (D.) 10-04-031 in Application No. 08-09-008 to amortize the \$1,673,746 undercollection in the Fontana Water Company division's Water Revenue Adjustment Mechanism ("WRAM") Memorandum Account as of December 31, 2017, through a temporary 12-month surcharge of \$0.2186 per Ccf. In accordance with D.10-04-031, **this compliance filing is designated as Tier 1 and does not require a resolution.** The enclosed tariff schedules will become effective on February 1, 2018.

Background

The currently adopted rate schedules in this division became effective on January 1, 2018, through Advice Letter 510.

D.10-04-031, dated April 8, 2010, in A.08-09-008 adopted tiered conservation rates and authorized a Monterey-style WRAM balancing account to record variances

in Quantity Rate revenues from those that would have been collected under a single block Quantity Rate. Ordering Paragraph 4(d) states:

(d) If the water revenue adjustment mechanism over- or under-collection for either ratemaking division exceeds 2% of that area's total authorized revenue requirement for the preceding calendar year, a tier 1 advice letter shall be filed within 30 days by San Gabriel Valley Water Company that requests amortization of the balance in the account, which applies only to the residential class of customers. If the percentage is 2 or less, San Gabriel Water Company shall propose amortizing in the next General Rate Case.

The \$1,673,746 undercollection in that account is 2.3% of the total authorized revenue requirement for the preceding calendar year.

San Gabriel has furnished the Commission's Water Division staff workpapers providing detailed support for the proposed surcharge. These workpapers show the computation of the 12-month temporary \$0.2186 per Ccf surcharge. The new rates submitted with this advice letter raise the monthly bill of the typical residential customer using 14 Ccf under Schedule FO-1C with a 5/8" x 3/4" meter by \$3.06 or 4.3% from \$71.01 to \$74.07. A temporary \$0.1352 per Ccf surcharge expires on February 1, 2018, reducing the proposed increase to \$0.49 or 0.7%.

The matters addressed in this advice letter are not now the subject of any formal filings including a formal complaint, nor action in any court of law.

Service and Notice

In accordance with Water Industry Rule 3.2 of General Order 96-B, San Gabriel will inform its customers by bill insert (a draft copy of which is attached hereto) in the first bill that includes the increase, of the amount of the increase, expressed in dollar and percentage terms. No other parties have requested notification of tariff filings.

Distribution of this Advice Letter is being made to the attached distribution list in accordance with Water Industry Rule 4.1 of General Order 96-B. In accordance with Water Industry Rule 3.3 of General Order 96-B, Fontana will also post this advice letter on its website at www.fontanawater.com.

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. When submitting a written response or protest please include San Gabriel Valley

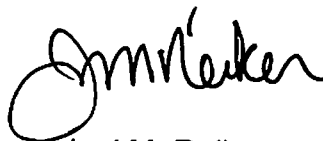
Water Company's name and this advice letter number in the subject line. The address for mailing or delivering a protest is:

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
Vice President of Regulatory Affairs
11142 Garvey Avenue
El Monte, CA 91733
Tel: (626) 448-6183
FAX (626) 448-5530
e-mail: jmreiker@sgwwater.com

Thank you for your assistance in processing this advice letter.



Joel M. Reiker
Vice President of Regulatory Affairs

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

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..... \$ 3.2859
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 3.7789

| | |
|--------------------------------|------------------|
| Service Charges: | Per Meter |
| | <u>Per Month</u> |
| For 5/8 x 3/4-inch meter | \$ 16.85 |
| For 3/4-inch meter | 25.27 |
| For 1-inch meter | 42.12 |
| For 1-1/2-inch meter..... | 84.24 |
| For 2-inch meter | 134.80 |
| For 3-inch meter | 252.68 |

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
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 \$0.1352 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.
4. 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.
5. A surcredit of \$0.0084 per Ccf is to be applied to the quantity rates for twelve months effective September 15, 2017 to amortize the net overcollection in the Conservation Program Balancing Account.
6. A surcharge of \$0.2186 per Ccf is to be applied to the quantity rates for twelve months ending on January 31, 2019, (N)
to amortize the net overcollection in the Water Revenue Adjustment Mechanism (WRAM) memorandum account. (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 515

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. FO-CARW
Fontana Water Company
CALIFORNIA ALTERNATIVE RATES FOR WATER
(continued)

SPECIAL CONDITIONS (continued)

2. Application and Eligibility Declaration: An application and eligibility declaration on a form authorized by the Commission is required for each request for service under this schedule. Renewal of a customer's eligibility declaration will be required every two years and may be required on an annual basis. Customers are only eligible to receive service under this rate schedule at one residential location at any one time, and the rate applies only to the customer's permanent primary residence. The schedule is not applicable where, in the opinion of the Utility, either the accomodation or the occupancy is transitory.
3. Commencement of Rate: Eligible customers shall be billed on this schedule commencing no later than one billing period after receipt and approval of the customer's application by the Utility.
4. Verification: Information provided by the applicant is subject to verification by the Utility. Refusal or failure of a customer to provide documentation of eligibility acceptable to the Utility, upon the request of the Utility, shall result in removal from this rate schedule.
5. Notice from Customer: It is the customer's responsibility to notify the Utility if there is a change in the customer's eligibility status.
6. Customers may be re-billed for periods of ineligibility under the applicable rate schedule.
7. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
8. 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.
9. A surcredit of \$0.0084 per Ccf is to be applied to the quantity rates for twelve months effective September 15, 2017 to amortize the net overcollection in the Conservation Program Balancing Account.
10. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months beginning on the effective date of Advice Letter 508 to amortize the net undercollection in the Drought Lost Revenue and Drought Surcharge Revenue memorandum accounts.
11. A surcharge of \$0.2186 per Ccf is to be applied to the quantity rates of Schedule FO-1C only for twelve months ending on January 31, 2019, to amortize the net undercollection in the Water Revenue Adjustment Mechanism (WRAM) memorandum account. (N)
(N)
(N)

(To be inserted by utility)

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(continued)

(To be inserted by utility)

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Fontana Water Company Division
Advice Letter No. 515

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