

SAN GABRIEL VALLEY WATER COMPANY

September 4, 2008

Advice Letter 367

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby requests ministerial review of this Tier I advice letter for 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>
1864-W	General Metered Service (Cont.)	FO-1	1847-W
1865-W	California Alternative Rates for Water (Cont.)	FO-CARW	1848-W
1866-W	Table of Contents	N/A	1863-W

An original and four copies of this advice letter is submitted in compliance with Ordering Paragraph Nos. 3 and 4 of D.08-08-018 in Application 07-08-017, dated August 10, 2007.

Background

On August 21, 2008, the Commission in Ordering Paragraph Nos. 3 and 4 of Decision No. 08-08-018, in Application 07-08-017, adopted San Gabriel's and DRA's proposed settlement for the implementation of its Fontana Water Company division of the Commission's Water Action Plan objectives.

The settlement agreement authorized the following: (1) a maximum of \$305,000 annual budget to fund conservation programs and activities, (2) a maximum of \$90,522 annual budget for a customer servicemen/conservation specialist when hired, and (3) \$43,000 for payroll expenses associated with conservation expense.

Purpose

The purpose of this Tier 1 advice letter is to give effect to Ordering Paragraph Nos. 3 and 4 of Decision No. 08-08-018: (1) to implement a \$0.015/Ccf

surcharge to recover \$305,000 for conservation program expenses and (2) to implement a \$0.0021/Ccf surcharge for the recover of \$43,000 of additional conservation payroll-related expense.

For Fontana Water Company division customers, the effect of the \$0.0171/Ccf surcharge will increase the typical monthly bill of the typical residential customer (5/8" x 3/4" meter and 23 Ccf) by \$0.39 or 0.72% from \$54.01 to \$54.40.

Discussion

Ordering Paragraph No. 3 of Decision No. 08-08-018, states:

3. Fontana Water Company is authorized to file a Tier 1 Advice Letter to collect \$305,000 of conservation program expenses in annualized revenues through a \$0.015 per hundred cubic fee (Ccf) conservation surcharge component effective on or after the effective date of this decision, as set forth in the settlement agreement.

Ordering Paragraph No. 4 of Decision No. 08-08-018, states:

4. Fontana Water Company is also authorized to file a Tier 1 Advice Letter to recover \$43,000 of additional conservation payroll-related expenses through a \$0.0021 per Ccf conservation surcharge component effective on or after the effective date of this decision.

And Ordering Paragraph No. 6 of Decision No. 08-08-018, States:

6. All components of the conservation surcharge being authorized by this decision shall end by the effective date of new rates to be set under Fontana Water Company's 2008 general rate case.

San Gabriel requests a temporary surcharge of \$0.0171 to be applied to service rendered on and after September 4, 2008 until the later of July 1, 2009 or the effective date of Fontana Water Company's 2008 general rate case.

No workpapers are associated with this advice letter. No further public notice is required because all public notices in connection with Application No. 07-08-017 have already been made in accordance with applicable law and Commission rules.

September 4, 2008

Thank you for your assistance in processing this tariff filing.

San Gabriel Valley Water Company

Daniel A. Dell'Osa
Director of Rates and Revenue

cc: Fred L. Curry, CPUC – Water Division
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Danilo Sanchez, CPUC – Water Branch, DRA