

# SAN GABRIEL VALLEY WATER COMPANY

December 31, 2012

Advice Letter 421

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 both its Los Angeles County and Fontana Water Company divisions:

| <u>CPUC<br/>Sheet No.</u> | <u>Title</u>                      | <u>Schedule<br/>No.</u> | <u>Canceling<br/>CPUC<br/>Sheet No.</u> |
|---------------------------|-----------------------------------|-------------------------|---|
| 2168-W                    | Preliminary Statement (continued) | N/A                     | 2156-W                                  |
| 2169-W                    | Table of Contents                 | N/A                     | 2167-W                                  |

An original and four copies of this advice letter are submitted in compliance with General Order 96-B. This is designated as a **Tier 1** advice letter, with a requested January 1, 2013 effective date.

### Purpose

San Gabriel is seeking authorization to modify its Preliminary Statement to establish and implement a Cost of Capital Interim Rates Memorandum Account ("CCIRMA"), pursuant to the Administrative Law Judge's email Ruling in A.12-05-002, dated December 24, 2012. Which authorized the establishment and implementation of the CCIRMA, and added that "no interim rates are necessary". The purpose of the CCIRMA is to track the difference between revenues billed under the existing authorized rates and the revenues that would have been billed had the rates adopted by the Commission in A.12-05-002 become effective on January 1, 2013.

### Discussion

On May 1, 2012, San Gabriel filed A.12-05-002 for an authorized cost of capital for 2013-2015. San Gabriel's application was subsequently consolidated with A.12-05-001, A.12-05-004, and A.12-05-005. A motion for interim rates was filed by the Division of Ratepayer Advocates ("DRA") on December 7, 2012 because a decision could not be issued in time to become effective on the first day

of the test year which is January 1, 2013. On December 18, 2012, the ALJ granted DRA's motion. In her Ruling ALJ Rochester ordered:

San Gabriel Valley Water Company, Park Water Company and Apple Valley Ranchos Water Company, and Suburban Water Systems shall file with the Commission, by Tier 1 Advice Letter, a tariff implementing interim rates in their respective service territories and establishing Memorandum Accounts to track the difference between the interim rates and the final rates adopted by the Commission in this proceeding. The interim rates shall become effective no sooner than January 1, 2013.

On December 24, 2012 the ALJ issued an email ruling to revise the December 18 ruling to allow the applicants to establish and implement the CCIRMA only and stated that "no interim rates are necessary".

The present rates in the Los Angeles County division became effective on April 11, 2012 (Advice Letter No. 411), June 1, 2012 (Advice Letter No. 413) and July 1, 2012 (Advice Letter No. 414). In the Fontana Water Company division, present rates became effective on June 1, 2012 (Advice Letter No. 416), July 2, 2012 (Advice Letter No. 417), and November 9, 2012 (Advice Letter No. 420).

### **Request**

San Gabriel requests authorization to modify its Preliminary Statement to establish the CCIRMA per ALJ Rochester's email Ruling, dated December 24, 2012.

### **Protest and Responses**

Anyone may respond to or protest this advice letter. 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;

- (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 relitigating a prior order of the Commission.

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a response or protest is:

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

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy of the protest by mail to San Gabriel addressed as follows:

San Gabriel Valley Water Company  
Director, Rates and Revenue  
11142 Garvey Avenue  
El Monte, CA 91733  
FAX: (626) 448-5530 or  
E-mail: [dadellosa@sgvwater.com](mailto:dadellosa@sgvwater.com)

The advice letter process does not provide for any responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period.

Replies: San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact me at (626) 448-6183.

San Gabriel Valley Water Company



Daniel A. Dell'Osa  
Director of Rates and Revenue

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

**PRELIMINARY STATEMENT**  
**(Continued)**

**M. Interim Rates Memorandum Account ("IRMA") for the Fontana Water Company Division.**

1. Purpose: The purpose of this memorandum account is to track the difference between the revenues billed under the interim rates and revenues that would have been billed under the rates adopted by the Commission in A. 11-07-005.
2. The interim rates shall be the currently authorized rates.
3. The effective date is July 1, 2012.
4. After the Commission issues a final decision in A. 11-07-005, San Gabriel will request by advice letter the amortization of the balance recorded in the IRMA.
5. The memorandum account will terminate when so ordered in a CPUC general rate case decision, at which time any remaining debit (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit.

**N. Cost of Capital Interim Rates Memorandum Account ("CCIRMA") for the Los Angeles County and Fontana Water Company divisions.**

1. Purpose: The purpose of this memorandum account is to track the difference in each division between the revenues billed under the currently authorized rates and revenues that would have been billed under the rates adopted by the Commission in the consolidated Cost of Capital proceeding A.12-05-001, et al.
2. The effective date is January 1, 2013.
3. After the Commission issues a final decision in A.12-05-001, et al., San Gabriel will request by advice letter the amortization of the balances recorded in the CCIRMA for each division and terminate this memorandum account.

(N)  
\_\_\_\_\_  
(N)

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 421

R. W. Nicholson

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

NAME

Effective \_\_\_\_\_

President

Resolution No. \_\_\_\_\_

TITLE

TABLE OF CONTENTS

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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(continued)

(To be inserted by utility)

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