

SAN GABRIEL VALLEY WATER COMPANY

August 15, 2014

Advice Letter No. 441-A

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>
2314-W	General Metered Service (cont'd)	FO-1	2333-W
2315-W	General Metered Service Conservation Rates	FO-1C	2334-W
2316-W	Recycled Water Metered Service (cont'd)	FO-6	2335-W
2318-W	Table of Contents	N/A	2268-W

An original and four copies of this supplemental advice letter are submitted pursuant to Resolution W-4997 to amortize a portion of the undercollection in the California Alternative Rates for Water ("CARW") Memorandum Account as of March 31, 2014, through a temporary 12-month surcharge of \$0.1597 per Ccf applicable only to non-CARW customers. The surcharge will increase annual revenues by \$2,142,670 from \$58,937,400 to \$61,080,070 or 3.5%. In accordance with Water Industry Rule 7.3.1(3) of General Order 96-B, this filing is designated as Tier 1. In accordance with Resolution W-4997, the enclosed tariff schedules will become effective on August 20, 2014.

Discussion

The current rate schedules in this division became effective on August 1, 2014 through Advice Letter No. 443.

San Gabriel maintains a low-income customer assistance program called the California Alternative Rates for Water program in its Fontana Water Company division. This program implements the Commission's Water Action Plan objective to assist qualified low-income customers. Until recently, San Gabriel's CARW program provided low-income assistance by offering qualified low-income customers with a meter size of 1" or smaller a 50% discount on the service charge. Since Advice Letter No. 436 was approved, the CARW benefit has been changed to \$8, \$10, or \$20 per month. San Gabriel established the CARW Memorandum Account authorized by D.05-05-015 in A.03-04-025 to track the costs of the program against the estimates reflected in rates. Ordering Paragraph No. 3 states:

- 3. San Gabriel is authorized to implement a CARW memorandum account as detailed in today's decision for both its Los Angeles and Fontana districts. This memorandum account will be audited for reasonableness at the next general rate case proceeding for each district. At that time, we will determine the appropriate amortization schedule of this account.*

San Gabriel filed Advice Letter No. 441 on June 3, 2014, and the Commission issued Resolution W-4997 on August 14, 2014, ordering:

- 1. San Gabriel Valley Water Company is authorized to amortize the under-collected balance as of March 31, 2014 in its California Alternate Rates for Water Memorandum Account, a total of \$2,142,670 through a 12-month surcharge of \$0.1597 per hundred cubic feet on the bills of ratepayers in the Fontana Division who do not qualify for the California Alternative Rates for Water program. The attached tariff sheets in Appendix A to this Resolution are approved.*
- 2. San Gabriel Valley Water Company shall file within five days of the effective date of this Resolution a supplement to Advice Letter 441 consistent with the tariff sheets attached in Appendix A to this Resolution. The tariff sheets shall be effective 5 days following the submittal of the supplement to Advice Letter 441...*

August 15, 2014

There are no workpapers associated with this supplemental advice letter. The new rates submitted with this advice letter will raise the monthly bill of the average residential customer on Schedule FO-1 with a 5/8" x 3/4" meter using 19 Ccf by \$3.03 or 5.1% from \$56.43 to \$59.46 and on Schedule No. FO-1C by \$3.03 or 5.3% from \$54.17 to \$57.20.

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.

Notice and Service

Distribution of this supplemental advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1 of General Order No. 96-B. No other parties have requested notification of tariff filings related to the Fontana Water Company Division. Since this is a compliance filing, no other notice is required. In accordance with Water Division Rule 3.3 of General Order 96-B, San Gabriel will also post this supplemental advice letter to its website.

Thank you for promptly processing this supplemental advice letter.

San Gabriel Valley Water Company



Daniel A. Dell'Osa
Director of Rates and Revenue

cc: James Boothe, CPUC – Division of Water and Audits
Hani Moussa, CPUC – Water Branch, ORA
Danilo Sanchez, 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	\$ 222.00
For three 2-inch meters	333.00
For four 2-inch meters.....	444.00
For two 3-inch meters	417.00
For two 4-inch meters	695.00
For one 8-inch meter, two 2-inch meters.....	1,330.00
For two 8-inch meters	2,200.00

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.
2. A surcredit of \$0.2165 per Ccf is to be applied to the quantity rates for thirty-six months beginning on August 1, 2014 and ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
3. A surcredit of \$0.0294 per Ccf is to be applied to the quantity rates for a 12-month period beginning on February 26, 2014 to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA). (T)
4. A surcredit of \$0.0330 per Ccf is to be applied to the quantity rates for a 12-month period beginning on May 6, 2014 to amortize the March 2011 balances in five balancing and memorandum accounts as authorized by D.14-05-001. (T)
5. A surcharge of \$0.1297/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 \$0.1597 per Ccf is to be applied to the quantity rates of only non-CARW customers for a 12-month period beginning August 20, 2014 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)
(N)
(N)

(To be inserted by utility)

Issued by

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

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R. W. Nicholson

Date Filed _____

Decision No. W-4997

NAME

Effective _____

President

Resolution No. _____

TITLE

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..... \$ 2.5027
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 2.8781

Service Charges:

Per Meter
Per Month

For 5/8 x 3/4-inch meter \$ 14.52
For 3/4-inch meter 21.78
For 1-inch meter 36.31
For 1-1/2-inch meter 72.61
For 2-inch meter 116.20
For 3-inch meter 217.80

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcredit of \$0.2165 per Ccf is to be applied to the quantity rates for thirty-six months beginning on August 1, 2014 and ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
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TITLE

SCHEDULE NO. FO-6
Fontana Water Company Tariff Area
RECYCLED WATER METERED SERVICE

(continued)

RATES – (continued)

	Per Battery <u>Per Month</u>
For two 2-inch meters.....	\$ 222.00
For three 2-inch meters.....	333.00
For four 2-inch meters.....	444.00
For two 3-inch meters.....	417.00
For two 4-inch meters.....	695.00
For one 8-inch meter, one 2-inch meter.....	1,330.00
For two 8-inch meters.....	2,200.00

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 surcredit of \$0.2165 per Ccf is to be applied to the quantity rates for thirty-six months beginning on August 1, 2014 and ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
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