

SAN GABRIEL VALLEY WATER COMPANY

August 25, 2016

Advice Letter No. 477-A

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby requests ministerial review and approval of the following changed 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>
2608-W	General Metered Service	FO-1	2590-W
2609-W	General Metered Service (cont'd)	FO-1	2535-W
2610-W	General Metered Service Conservation Rates	FO-1C	2591-W
2611-W	Private Fire Service	FO-4	2382-W
2612-W	Recycled Water Metered Service	FO-6	2592-W
2613-W	Recycled Water Metered Service (cont'd)	FO-6	2537-W
2614-W	Construction and Tank Truck Service	FO-9C	2385-W
2615-W	Service to Tract Houses During Construction	FO-9CL	2386-W
2616-W	Preliminary Statement (cont'd)	N/A	2593-W
2617-W	Table of Contents	N/A	2601-W

This advice letter is submitted in compliance with Resolution W-5107, dated August 18, 2016, and Resolution W-5115, dated August 25, 2016, approving Advice Letter 477, a rate base offset for Plant F21. In accordance with Water Industry Rule 7.3.1(3) of General Order 96-B, **this filing is designated Tier 1.** In accordance with Resolution W-5115, the enclosed rates will become effective on August 30, 2016.

Background

On March 31, 2016, San Gabriel submitted Advice Letter No. 477, to incorporate into rates \$3,235,000 of the capital cost of the Plant F21 project by increasing rates by \$556,437 or 0.08%. On August 18, 2016, the Commission adopted Resolution W-5107, finding that the new reservoir is currently used and useful, and finding that the requested revenue requirement is

reasonable and should be adopted. Resolution W-5115 corrected errors in Resolution W-5107 and as amended, Ordering Paragraph No. 2 states:

2. Authority is granted under Public Utilities Code Section 454 to San Gabriel Valley Water Company to file a supplemental Advice Letter incorporating the Rate Schedules attached to this Resolution as Appendix A and to concurrently cancel its presently effective Rate Schedules. The effective date of the Rate Schedules shall be five days after the date of filing.

The present rates in this division became effective on July 5, 2016 through Advice Letter No. 482. Workpapers supporting the new rates have been submitted to the Division of Rates and Auditing for its review and verification.

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 the utility 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

August 25, 2016

received by the Division of Water and Audits 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 in the subject line. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 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 Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to San Gabriel, addressed to:

San Gabriel Valley Water Company
Director of Rates and Revenue
11142 Garvey Avenue
El Monte, CA 91733
(626) 448-6183
FAX (626) 448-5530 or
E-mail: jmreiker@sqvwater.com

Thank you for your assistance in processing this advice letter.



Joel M. Reiker
Vice President of Regulatory Affairs

cc: James Boothe, CPUC – Division of Water and Audits
Hani Moussa, CPUC – Water Branch, ORA
Lisa Bilir, CPUC – Water Branch, ORA

SCHEDULE NO. FO-1
Fontana Water Company
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service, except for those Residential customers required to be served under Schedule FO-1C.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For all water used, per 100 cu. ft. \$ 2.7724 (I)

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 14.00
For 3/4-inch meter	21.02
For 1-inch meter.....	35.02
For 1-1/2-inch meter.....	70.03
For 2-inch meter.....	112.03
For 3-inch meter.....	210.15
For 4-inch meter.....	350.62
For 6-inch meter.....	696.00
For 8-inch meter.....	1,119.00
For 10-inch meter.....	1,613.00
For 12-inch meter.....	2,309.00

(I)

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 477-A

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. W-5107&W-5115

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	\$ 224.00	(I)
For three 2-inch meters	336.00	
For four 2-inch meters.....	447.00	
For two 3-inch meters	420.00	
For two 4-inch meters	701.00	
For one 8-inch meter, two 2-inch meters.....	1,331.00	
For two 8-inch meters	2,219.00	(I)

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 \$0.1047 per Ccf is to be applied to the quantity rates for the remainder of the thirty-six months ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
3. A surcharge of \$0.2408/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.
4. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
5. A surcharge of \$0.1257 per Ccf is to be applied to the quantity rates for twenty-four months beginning on May 6, 2015 and ending on May 5, 2017 to recover the March 2015 undercollection recorded in the Water Production Balancing Account.
6. A surcharge of \$0.1394 per Ccf is to be applied to the quantity rates for a twelve month period beginning on October 27, 2015 to amortize the undercollection in the Water Quality Litigation Memorandum Account (WQLMA).
7. A surcharge of \$0.1352 per Ccf is to be applied to the quantity rates of non-CARW customers for twenty-three 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.

(To be inserted by utility)

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Resolution No. W-5107&W-5115

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.....	\$ 2.5529	(I)
For all Ccf greater than 16 Ccf, per 100 cu. Ft.....	\$ 2.9359	

Service Charges:	<u>Per Meter</u>	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 14.64	
For 3/4-inch meter	21.96	
For 1-inch meter	36.61	
For 1-1/2-inch meter	73.22	
For 2-inch meter	117.18	
For 3-inch meter	219.62	(I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcredit of \$0.1047 per Ccf is to be applied to the quantity rates for the remainder of the thirty-six months ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
3. A surcharge of \$0.2408/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.
4. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
5. A surcharge of \$0.1257 per Ccf is to be applied to the quantity rates for twenty-four months beginning on May 6, 2015 and ending on May 5, 2017 to recover the March 2015 undercollection recorded in the Water Production Balancing Account.
6. A surcharge of \$0.1394 per Ccf is to be applied to the quantity rates for a twelve month period beginning on October 27, 2015 to amortize the undercollection in the Water Quality Litigation Memorandum Account (WQLMA).
7. A surcharge of \$0.1617 per Ccf for an 11-month period beginning on August 27, 2015 is to be applied to the quantity rate to amortize the undercollection in the Water Revenue Adjustment Mechanism (WRAM) Balancing Account.
8. 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.

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TITLE

Resolution No. W-5107&W-5115

SCHEDULE NO. FO-4
Fontana Water Company
PRIVATE FIRE SERVICE

APPLICABILITY

Applicable to water service furnished to private fire systems and to private fire hydrants.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto and vicinity, San Bernardino County.

RATE

Per Service
Per Month

For each inch of diameter of service connection \$9.44 (I)

SPECIAL CONDITIONS

1. The customer will pay, without refund, the entire cost of the private fire service facilities.
2. The private fire service facilities shall be installed by the utility or under the utility's direction and shall be the sole property and subject to the control of the utility, with the right to alter, repair, replace and the right to remove upon discontinuance of service.
3. The minimum diameter for the private fire service connection will be 4-inches. The maximum diameter shall not be larger than the diameter of the water main to which the private fire service facilities are attached unless said main is circulating, in which case with the approval of the utility the maximum diameter may be larger by not more than 2-inches than the diameter of said circulating main.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the utility at the cost of the customer. Such cost shall not be subject to refund.
5. The private fire service facilities will include a detector check valve or other similar device acceptable to the utility which will indicate the use of water. The facilities may be located within the customer's premises or within public right of way adjacent thereto. Where located within the premises, the utility and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities. In the event the installation is solely a private fire hydrant facility, the requirement for a detector check valve or other similar device may be waived.

(continued)

(To be inserted by utility)

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NAME

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Resolution No. W-5107&W-5115

TITLE

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

APPLICABILITY

Applicable to all recycled water metered service.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For all water delivered per 100 cu. ft..... \$ 2.0794 (I)

Service Charge:

	Per Meter	
For 5/8 x 3/4-inch meter.....	\$ 14.00	(I)
For 3/4-inch meter.....	21.02	
For 1-inch meter.....	35.02	
For 1-1/2-inch meter.....	70.03	
For 2-inch meter.....	112.03	
For 3-inch meter.....	210.15	
For 4-inch meter.....	350.62	
For 6-inch meter.....	696.00	
For 8-inch meter.....	1,119.00	
For 10-inch meter.....	1,613.00	
For 12-inch meter.....	2,309.00	(I)

(continued)

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Resolution No. W-5107&W-5115

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

RATES – (continued)

	Per Battery Per Month	
For two 2-inch meters.....	\$ 224.00	(I)
For three 2-inch meters.....	336.00	
For four 2-inch meters.....	447.00	
For two 3-inch meters.....	420.00	
For two 4-inch meters.....	701.00	
For one 8-inch meter, one 2-inch meter.....	1,341.00	
For two 8-inch meters.....	2,219.00	(I)

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 \$0.1047 per Ccf is to be applied to the quantity rates for remainder of the thirty-six months ending on July 31, 2017 to refund an overcollection associated with the Sandhill Water Treatment Facility Plant.
6. A surcharge of \$0.2408/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.
7. A surcharge of \$0.1440 per Ccf is to be applied to the quantity rates for thirty-one months beginning on February 13, 2015 and ending on September 12, 2017 to recover an undercollection recorded in the Interim Rates Memorandum Account.
8. A surcharge of \$0.1257 per Ccf is to be applied to the quantity rates for twenty-four months beginning on May 6, 2015 and ending on May 5, 2017 to recover the March 2015 undercollection recorded in the Water Production Balancing Account.
9. A surcharge of \$0.1352 per Ccf is to be applied to the quantity rates of non-CARW customers for twenty-three 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.

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Resolution No. W-5107&W-5115

SCHEDULE NO. FO-9C
Fontana Water Company
CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to temporary water service furnished for construction purposes and for water delivered to tank trucks from fire hydrants or other outlets.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto and vicinity, San Bernardino County.

RATE

Unit Rates

For sidewalk construction, per 100 sq. feet.....	\$0.726	(I)
For street curb construction, per 100 lineal feet	1.452	
For trench settling, per lineal foot of section of trench 2 feet by 4 feet	0.060	
For sprinkling subgrade of street and roadway construction in application of oil or any form of patented oil paving or surfacing, or for rolling and settling subgrade, per 3,000 square feet of roadway.....	10.18	
For compaction of fill, per cubic yard of fill material.....	0.091	
For water delivered to tank wagon or truck, per 100 gallons.....	0.232	

MINIMUM CHARGE

For any service rendered under this schedule..... \$36.45

(I)

SPECIAL CONDITIONS

1. An applicant wishing to obtain water deliveries under this schedule must first obtain a written permit from the utility.
2. Where water is to be obtained from a public fire hydrant, a permit must be obtained from the fire protection district or other public agency having jurisdiction.
3. For other temporary uses the quantity of water used shall be estimated or metered by the utility. Charges for such water shall be at the quantity rate for General Metered Service applicable to the tariff area within which the water is delivered.
4. An applicant for service under this schedule must pay the utility in advance the net cost of installing and removing any facilities necessary to provide such service.

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Resolution No. W-5107&W-5115

SCHEDULE NO. FO-9CL
Fontana Water Company
SERVICE TO TRACT HOUSES DURING CONSTRUCTION

APPLICABILITY

Applicable to water service for house construction where houses are being constructed as part of a real estate development.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto and vicinity, San Bernardino County

RATES

For each lot for the construction period . . . \$12.46 (I)

SPECIAL CONDITIONS

1. This service is available only to real estate developers or builders who make application prior to installation of mains and services and who undertake the construction of houses as part of the development. At its option the utility may provide the service if application is made after mains and services have been installed.
2. Water service under this tariff schedule is only to be used for house construction. It does not include water use for landscaping or other tract improvement work.
3. When each house passes final inspection water service under this schedule will be terminated.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.

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Resolution No. W-5107&W-5115

PRELIMINARY STATEMENT

(Continued)

H2. Water Revenue Adjustment Mechanism (WRAM) Memorandum Account for the Fontana Water Company Division

1. Purpose: The purpose of this memorandum account is to track the Quantity Rate revenues collected under Schedule FO-1C tiered rates against the revenues that would have been collected under a single block Quantity Rate.
2. The following entries will be made monthly to the WRAM memorandum Account in the Fontana Water Company division:
 - a. The recorded revenues collected through the tiered Quantity Rate under Schedule No. FO-1C (debit).
 - b. The calculated revenues that would have been collected under a single block Quantity Rate for the same water usage as in 2a above (credit).
 - c. The CPUC-adopted Quantity Rates (\$/Ccf) to be used in calculating the revenues for 2a and 2b above are as follows:

<u>Effective Date</u>	<u>Single Block Rate</u>	0-16 Ccf/mo. Over 16 Ccf/mo.	
		<u>Tier 1 Rate</u>	<u>Tier 2 Rate</u>
April 1, 2013	\$2.5067	\$2.3549	\$2.7080
May 28, 2013	\$2.4498	\$2.3014	\$2.6465
July 1, 2013	\$2.5689	\$2.4133	\$2.7753
July 1, 2014	\$2.6625	\$2.5011	\$2.8765
December 31, 2014	\$2.6648	\$2.5032	\$2.8789
July 1, 2016	\$2.6973	\$2.5338	\$2.9139
August 30, 2016	\$2.7176	\$2.5529	\$2.9359

(C)

- d. Franchise fees and uncollectible account expense, based on the net of 2a and 2b above, and the CPUC-adopted rates for franchise fees and uncollectible expenses.
- e. Monthly interest calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, H.15 (<http://www.federalreserve.gov/releases/H15/data/m/cp3m.txt>), or its successor publication.
3. The balance in the memorandum account shall be amortized by a Tier 1 advice letter whenever the balance exceeds 2% of the authorized revenue requirement for the preceding calendar year. If the balance is below 2%, San Gabriel shall propose its amortization in a general rate case.
4. 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.

Authorization: Established pursuant to D.10-04-031, Ordering Paragraph 4; and Advice Letter 385

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Resolution No. W-5107&W-5115

TITLE

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(continued)

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 Resolution No. W-5107&W-5115