

SAN GABRIEL VALLEY WATER COMPANY

June 3, 2014

Advice Letter No. 441

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	2305-W
2315-W	General Metered Service Conservation Rates	FO-1C	2306-W
2316-W	Recycled Water Metered Service (cont'd)	FO-6	2309-W
2317-W	California Alternative Rates for Water (cont'd)	FO-CARW	2295-W
2318-W	Table of Contents	N/A	2313-W

An original and four copies of this advice letter are submitted pursuant to General Order 96-B, Water Industry Rule 7.3.3(7), 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 7.3.3(7) of General Order 96-B, **this filing is designated as Tier 3 and requires a resolution.** The enclosed tariff schedules will become effective upon a resolution by the Commission.

Background

This request is made pursuant to Standard Practice U-27-W, Section D.39, which states:

39. Reserve Account amortization for Class A utilities will be part of the General Rate Case or may be by advice letter when the account over or under collection exceeds 2%, at the utility's option.

The current rate schedules in this division became effective on May 6, 2014 through Advice Letter No. 436.

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.

Decision 11-05-020 in Rulemaking 09-12-017 established a data sharing plan between regulated Class A water utilities and regulated energy utilities which resulted in a large increase in low-income customer participation and a subsequent rapid increase in the undercollection of the CARW Memorandum Account.

Because Decision 14-05-001 in Application 11-07-005 adopted a surcharge to amortize the \$278,437 March 2011 balance in the CARW Memorandum Account, San Gabriel now seeks to amortize only the difference between the March 2011 and March 2014 balances.

Discussion

Commission Decision 05-05-015 in Application 03-04-025 adopted San Gabriel's CARW program for both divisions. Ordering Paragraph No. 3 authorized San Gabriel to implement a CARW Memorandum Account for both divisions.

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 has furnished the Commission's Division of Water and Audits staff workpapers providing detailed support for the proposed surcharge. These workpapers show the computation of a surcharge of \$0.1597 per Ccf for twelve-months beginning on the effective date of the resolution. 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 of Rate Increase

In accordance with General Rule 4.2 of General Order 96-B, San Gabriel will give its customers, at least 30 days' notice before the effective date of this advice letter, notice of the increase by bill insert (a draft of which is attached hereto in Section G). No other parties have requested notification of tariff filings.

In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will also post this advice letter on its website at www.fontanawater.com.

Also, distribution of this advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1 of General Order No. 96-B.

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; 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 Division of Water and Audits within 20 days of the date this advice letter is filed. 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 us,

June 3, 2014

addressed to:

San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733
Tel: (626) 448-6183
FAX (626) 448-5530
e-mail: dadellosa@sgvwater.com

Thank you for your assistance in processing this 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 \$0.46 per Ccf is to be applied to the quantity rates for twenty-months beginning on the effective date of Advice Letter 420 and ending on June 30, 2014 to refund an overcollection in the Water Production Balancing Account.
3. A surcredit of \$0.0294 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 431-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
4. A surcredit of \$0.0330 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 436 to amortize the March 2011 balances in five balancing and memorandum accounts as authorized by D.14-05-001.
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 on the effective date of Advice Letter 441 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 441

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

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..... \$ 2.4306
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 2.7952

Service Charges:	<u>Per Meter</u> <u>Per Month</u>
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 \$0.46 per Ccf is to be applied to the quantity rates for twenty-months beginning on the effective date of Advice Letter 420 and ending on June 30, 2014 to refund an overcollection in the Water Production Balancing Account.
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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.
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(N)
(N)

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Resolution No. _____

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.....	2,220.00

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 \$0.46 per Ccf is to be applied to the quantity rates for twenty-months beginning on the effective date of Advice Letter 420 and ending on June 30, 2014 to refund an overcollection in the Water Production Balancing Account.
6. A surcredit of \$0.0294 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 431-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
7. A surcredit of \$0.0330 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 436 to amortize the March 2011 balances in five balancing and memorandum accounts as authorized by D.14-05-001.
8. 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.
9. 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 on the effective date of Advice Letter 441 to amortize the undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)
(N)
(N)

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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 surcredit of \$0.46 per Ccf is to be applied to the quantity rates for twenty-months beginning on the effective date of Advice Letter 420 and ending on June 30, 2014 to refund an overcollection in the Water Production Balancing Account.
9. A surcredit of \$0.0294 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 431-A to amortize the overcollection in the Cost of Capital Interim Rate Memorandum Account (CCIRMA).
10. A surcredit of \$0.0330 per Ccf is to be applied to the quantity rates for a 12-month period beginning on the effective date of Advice Letter 435 to amortize the March 2011 balances in five balancing and memorandum accounts as authorized by D.14-05-001.
11. A surcharge of \$0.1597 per Ccf is to be applied to the quantity rates of only non-CARW customers (N) for a 12-month period beginning on the effective date of Advice Letter 441 to amortize the (N) undercollection in the California Alternative Rates for Water (CARW) Memorandum Account. (N)

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(continued)

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Fontana Water Company Division
Advice Letter No. 441

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