

SAN GABRIEL VALLEY WATER COMPANY

October 27, 2015

Advice Letter No. 459-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>
2515-W	General Metered Service (cont'd)	FO-1	2459-W
2516-W	General Metered Service Conservation Rates	FO-1C	2460-W
2517-W	California Alternative Rates for Water (cont'd)	FO-CARW	2462-W
2518-W	Preliminary Statement	N/A	2396-W
2519-W	Table of Contents	N/A	2501-W

An original and four copies of this **supplemental** advice letter are submitted pursuant to Resolution W-5064 to amortize a portion of the undercollection in the Water Quality Litigation Memorandum Account (WQLMA) as of December 31, 2014, through a temporary 12-month surcharge of \$0.1394 per Ccf. The surcharge will increase annual revenues by \$2,259,469 from \$61,541,255 to \$63,801,253 or 3.7%.

In accordance with Resolution W-5064, Ordering Paragraph No. 4 this supplemental advice letter also revises Preliminary Statement Paragraph I3, Water Quality Litigation Memorandum Account (WQLMA) for the Fontana Water Company Division by moving amortized revenues to the Previously Authorized Balances Balancing Account (PABBA) for the Fontana Water Company Division.

October 27, 2015

In accordance with Resolution W-5064, Ordering Paragraph 4, **this filing is designated as Tier 1**. The enclosed tariff schedules are effective October 27, 2015. Ordering Paragraph No. 4 states:

4. San Gabriel Valley Water Company shall, within five days of the effective date of this Resolution, file a Tier 1 Advice Letter implementing a 12-month surcharge of \$0.1394 per hundred cubic feet on all metered potable water customers by modifying tariff schedules FO-1, FO-1C, and FO-CARW consistent with the tariff schedules shown in Appendix A. In addition, San Gabriel shall revise the preliminary statement describing the Water Quality Litigation Memorandum Account for the Fontana Water Company Division to remove amortization revenues from the list of entries to the account and state that balances approved for amortization shall be moved to the Previously Authorized Balances Balancing Account (PABBA) for the Fontana Water Company Division.

The current rate schedules in this division became effective on May 6, 2015 through Advice Letter No. 461.

Thank you for your assistance in processing this supplemental advice letter.

Sincerely,



Joel M. Reiker
Vice President of Regulatory Affairs

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	696.00
For one 8-inch meter, two 2-inch meters.....	1,331.00
For two 8-inch meters	2,202.00

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 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. (D)
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). (N)
(N)
(N)

(To be inserted by utility)

Issued by

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

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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..... \$ 2.5032
For all Ccf greater than 16 Ccf, per 100 cu. Ft..... \$ 2.8789

Service Charges:	Per Meter
	<u>Per Month</u>
For 5/8 x 3/4-inch meter	\$ 14.53
For 3/4-inch meter	21.80
For 1-inch meter	36.34
For 1-1/2-inch meter	72.67
For 2-inch meter	116.30
For 3-inch meter	217.98

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 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.
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. (D)
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). (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 \$0.2165 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.
9. 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.
10. 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.
11. 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). (N)
(N)
(N)

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PRELIMINARY STATEMENT

(Continued)

I3. Water Quality Litigation Memorandum Account (WQLMA) for the Fontana Water Company Division

- 1. Purpose: The purpose of this memorandum account is to record outside legal and consulting expenses for water quality litigation, as well as contamination proceeds that are not reflected in base rates and any amortization of those recorded balances in accordance with Resolution W-4094 incurred after March 26, 1998, the effective date of Resolution W-4094. (T)
- 2. The following entries will be made monthly to the WQLMA in the Fontana Water Company division:
 - a. The recorded outside legal and consulting expenses for water quality litigation as well as expenditures related to water quality, including capital costs and operations and maintenance expenses of needed wellhead treatment facilities that cannot be reasonably forecasted (debit). (T)
 - b. Franchise fees expense, based on 2b above, and the CPUC-adopted rates for franchise fees (debit). (D)
 - c. Water contamination proceeds from damage awards, settlements, government sources, and insurance (credit). (T)
 - d. 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 (debit or credit). (T)
- 3. The balance in the memorandum account shall be amortized by a Tier 3 advice letter whenever the balance exceeds 2% of the authorized revenue requirement for the Fontana Water Company division or three years have elapsed since the date the memorandum account was established. If the balance is below 2%, San Gabriel shall propose its amortization in a general rate case. (T)
- 4. Balances approved for amortization shall be moved to the Previously Authorized Balances Balancing Account (PABBA for the Fontana Water Company Division and shall earn interest according to Paragraph 2d above. (N)
(N)
(N)

Authorization: Established pursuant to Resolution W-4094, dated March 26, 1990 and D.10-12-058, Ordering Paragraph 4.

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